

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY  
Regular Audit  
December 31, 2005  
Single Audit  
December 31, 2004**





# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Roswell  
5198 Main Street N.E.  
New Philadelphia, Ohio 44663

We have reviewed the *Independent Accountants' Report* of the Village of Roswell, Tuscarawas County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2004 through December 31, 2005. 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 Accountants' 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 Accountants' 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 Roswell is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 16, 2008

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**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2005 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types - For the Year Ended December 31, 2005 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Type - For the Year Ended December 31, 2004 .....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary Fund Types - For the Year Ended December 31, 2004 .....	7
Notes to the Financial Statements .....	8
Schedule of Expenditures of Federal Awards.....	14
Notes to the Federal Awards Expenditures Schedule.....	15
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	16
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	18
Schedule of Findings - OMB Circular A-133 § .505.....	20
Corrective Action Plan - OMB Circular A-133 § .315(c) .....	30

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 28, 2008

Village of Roswell  
Tuscarawas County  
5198 Main Street N.E.  
New Philadelphia, OH 44622

To the Village Council:

We have audited the accompanying financial statements of the **Village of Roswell, Tuscarawas County, Ohio**, (the Village) as of and for the years ended December 31, 2005 and 2004. 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.

Except as discussed in paragraph six, 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 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 the 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, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and cash flows of the Village as of December 31, 2005 and 2004 or their changes in financial position for the year then ended.

The Village did not provide adequate supporting documentation for municipal income taxes and charges for services receipts to enable us to determine the completeness, occurrence, allocation, and rights and obligations of municipal income taxes recorded in the General Fund and charges for services recorded in the Water Fund, a Proprietary Fund Type, in the financial statements in 2005 and 2004, nor were we able to satisfy ourselves as to those receipts through the use of alternative procedures. These municipal income tax revenues represent 44.35 and 32.47 percent of revenues of the Governmental Fund Type and charges for services revenues represent 3.48 and 0.33 percent of revenues of the Proprietary Fund Type for the year ended December 31, 2005 and 2004 respectively.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary, had we been able to obtain the information and documentation to support the completeness, occurrence, allocation, and rights and obligations of municipal income tax receipts in the General Fund and charges for services receipts in the Water Fund, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Village of Roswell, Tuscarawas County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Government 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 May 28, 2008, 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.



Village of Roswell  
Tuscarawas County  
Independent Accountants' Report  
Page 3

We conducted our audit to opine on the financial statements that collectively comprise the Village's basic financial statements. The Schedule of Federal Awards Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$ 12,060	\$ 8,483	\$ 20,543
Intergovernmental	10,750	9,391	20,141
Municipal Income Taxes	21,844	-	21,844
Charges for Services	380	-	380
Licenses, Permits, and Fees	1,068	-	1,068
Earnings on Investments	335	-	335
Miscellaneous	2,812	-	2,812
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	49,249	17,874	67,123
<b>Cash Disbursements:</b>			
Current:			
General Government	19,333	198	19,531
Leisure Time Activities	5,059	-	5,059
Public Health Services	148	-	148
Community Environment	30	-	30
Transportation	-	6,616	6,616
Basic Utility Services	2,217	6,725	8,942
Security of Persons and Property	10,396	-	10,396
Capital Outlay	465	-	465
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	37,648	13,539	51,187
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	11,601	4,335	15,936
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	40,520	10,614	51,134
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$ 52,121</b>	<hr/> <b>\$ 14,949</b>	<hr/> <b>\$ 67,070</b>

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Enterprise Fund</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 20,174
Total Operating Cash Receipts	20,174
<b>Operating Cash Disbursements:</b>	
Personal Service	6,391
Contractual Services	7,724
Transportation	1,915
Total Cash Disbursements	16,030
Operating Income (Loss)	4,144
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental	557,807
Miscellaneous	1,313
Total Non-Operating Cash Receipts	559,120
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	554,054
Total Non-Operating Cash Disbursements	554,054
Total Cash Receipts Over/(Under) Cash Disbursements	9,210
Fund Cash Balances, January 1	39,056
<b>Fund Cash Balances, December 31</b>	<b>\$ 48,266</b>

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$ 11,328	\$ 8,061	\$ 19,389
Intergovernmental	9,949	4,786	14,735
Municipal Income Taxes	21,405	-	21,405
Charges for Services	350	-	350
Licenses, Permits, and Fees	395	-	395
Earnings on Investments	251	-	251
Other Revenue	22,249	2,967	25,216
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	65,927	15,814	81,741
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
General Government	19,683	182	19,865
Leisure Time Activities	14,193	-	14,193
Public Health Services	193	-	193
Community Environment	28	-	28
Transportation	-	3,698	3,698
Basic Utility Services	2,277	9,764	12,041
Security of Persons and Property	9,427	-	9,427
Capital Outlay	8,710	-	8,710
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	54,511	13,644	68,155
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Cash Disbursements	11,416	2,170	13,586
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	29,104	8,444	37,548
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 40,520</u></b>	<b><u>\$ 10,614</u></b>	<b><u>\$ 51,134</u></b>

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Enterprise Fund</u>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 4,450
<b>Non-Operating Cash Receipts:</b>	
Note Proceeds	517,253
Intergovernmental	<u>825,930</u>
Total Non-Operating Cash Receipts	<u>1,343,183</u>
Total Cash Receipts	<u>1,347,633</u>
<b>Non-Operating Cash Disbursements:</b>	
Debt Service:	
Redemption of Principal	181,625
Interest and Fiscal Charges	10,502
Capital Outlay	<u>1,118,900</u>
Total Cash Disbursements	<u>1,311,027</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>36,606</u>
Fund Cash Balances, January 1	<u>2,450</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$ 39,056</u></u></b>

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Roswell, Tuscarawas County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six member Council governs the Village. The Village provides park operations and police service. The Village contracts with the Village of Sherrodsville to provide fire protection services.

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

**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. Cash**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts and disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

Fire Levy Fund - This fund receives tax monies to fund fire protection.

Refuse Levy Fund - This fund receives tax monies to fund refuse collection services.

**3. Enterprise Funds**

This fund accounts 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 Funds:

Water Loan Fund - This fund receives monies from the County, the Ohio Public Works Commission, Ohio Water Development Authority and the United States Department of Agriculture Rural Development for a water tank and water line construction project.

Water Fund - This fund receives charges for services from customers to cover the cost of providing water service, which is currently in the construction stage.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances**

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

A summary of 2005 and 2004 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as (capital outlay) disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting. The Village had no employees during this audit period eligible for leave.

**2. EQUITY IN POOLED CASH**

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>2005</u>	<u>2004</u>
Demand deposits	<u>\$ 115,336</u>	<u>\$ 90,190</u>

Deposits are either insured by the Federal Deposit Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. Investments are not evidenced by securities that exist in physical or book-entry form.



**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 43,022	\$ 49,249	\$ 6,227
Special Revenue	15,600	17,874	2,274
Enterprise	2,475	579,294	576,819
Total	<u>\$ 61,097</u>	<u>\$ 646,417</u>	<u>\$ 585,320</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 37,648	\$ 37,648	-
Special Revenue	13,539	13,539	-
Enterprise	2,475	570,084	(567,609)
Total	<u>\$ 53,662</u>	<u>\$ 621,271</u>	<u>\$ (567,609)</u>

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 43,281	\$ 65,927	\$ 22,646
Special Revenue	16,100	15,814	(286)
Enterprise	2,475	1,347,633	1,345,158
Total	<u>\$ 61,856</u>	<u>\$ 1,429,374</u>	<u>\$ 1,367,518</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 54,511	\$ 54,511	-
Special Revenue	13,644	13,644	-
Enterprise	1,009,052	1,311,027	(301,975)
Total	<u>\$ 1,077,207</u>	<u>\$ 1,379,182</u>	<u>\$ (301,975)</u>

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio Rev. Code Section 5705.39, the General Fund and Refuse Collection Funds had appropriations exceeding estimated resources during 2004.

Contrary to Ohio Rev. Code Section 5705.41 (B), the Water Fund had expenditures exceeding appropriations during 2005 and 2004.

Contrary to Ohio Rev. Code Section 5705.41 (D), the certification of availability of unencumbered appropriations for expenditure was not obtained for 89% of expenditures tested during 2005 and 46% of expenditures testing during 2004.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. 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 by December 31. If the property owner elects to make semiannual payment, 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. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residence, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and files a declaration annually.

**6. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #4092	<u>\$524,897</u>	5.74%

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**6. DEBT**

Ohio Water Development Authority (OWDA) Loan #2858 and 3514 both related to the planning of a water tank and water line construction project. As of 12/31/03 \$9,900 and \$164,685 were outstanding for loan #2858 and 3514, respectively. In 2004 another \$7,040 was drawn upon loan #3514. In 2005 both loans were paid off.

Ohio Water Development Authority (OWDA) Loan #4092 related to a water tank and water line construction project. The OWDA has approved up to \$544,358 in loans to the Village for this project. The Village will not be billed for this loan until it is completely drawn upon and repayment terms will be agreed upon at that time. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. As of 12/31/05 \$510,213 has been received as note proceeds but capitalized interest has increased balance outstanding.

**7. RETIREMENT SYSTEM**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement 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 2005 and 2004, OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2005 and 2004. The Village has paid all contributions required through December 31, 2005.

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Inland Marine;
- Errors and omissions.

**Village of Roswell  
Tuscarwas County**

**Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended December 31, 2004**

<b>Federal Grantor/Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>CFDA Number</b>	<b>Disbursements</b>
<b>U.S. Department of Agriculture</b>			
<i>Direct Program:</i>			
Water and Waste Disposal Systems for Rural Communities - Grant Program		10.760	308,606
Water and Waste Disposal Systems for Rural Communities - Loan Program		10.760	<u>512,000</u>
<b>Total U.S. Department of Agriculture</b>			<u>820,606</u>
<b>Appalachia Regional Commission</b>			
<i>Passed Through U.S. Department of Agriculture, Rural Development</i>			
Appalachia Regional Commission	OH-143-47-214-03	14.228	<u>202,686</u>
<b>Total Appalachia Regional Commission</b>			<u>202,686</u>
<b>Total Federal Financial Assistance</b>			<u><u>1,023,292</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
DECEMBER 31, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) is a summary of the Village's federal award programs. The Schedule has been prepared on the cash basis of accounting.

The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.

**NOTE B – MATCHING REQUIREMENTS**

Certain federal programs require that the Village contribute non-federal funds (matching funds) to support the federally funded programs. The Village has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

***Perry & Associates***  
Certified Public Accountants, A.C.

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

May 28, 2008

Village of Roswell  
Tuscarawas County  
5198 Main Street N.E.  
New Philadelphia, OH 44622

To the Village Council:

We have audited the financial statements of the **Village of Roswell, Tuscarawas County** (the Village) as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 28, 2008, wherein we qualified our opinion because we were unable to satisfy ourselves to the completeness, occurrence, allocation, and rights and obligations of the municipal income tax and charges for services receipts. Also, we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. Except as discussed above, 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 opinions 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 certain deficiencies in internal control over financial reporting 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 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.

### **Internal Control Over Financial Reporting (Continued)**

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2005-001 through 2005-009.

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 significant deficiency 2005-001 described above is a material weakness.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated May 28, 2008

### **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 Standard* which are described in the accompanying schedule of findings as items 2005-001 through 2005-004.

We intend this report solely for the information and use of management, Village Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

***Perry & Associates***  
**Certified Public Accountants, A.C.**

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

May 28, 2008

Village of Roswell  
Tuscarawas County  
5198 Main Street N.E.  
New Philadelphia, OH 44622

To the Village Council:

We have audited the compliance of the **Village of Roswell, Tuscarawas County, Ohio** (the Village), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement, that apply to its major federal program for the year ended December 31, 2004. The Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs identifies the Village's major federal program. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

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

As described in findings 2005-010 through 2005-013 in the accompanying schedule of findings and questioned costs, the Village did not comply with requirements regarding reporting and cash management applying to its major federal program. Compliance with these requirements is necessary, in our opinion, for the Village to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Village complied, in all material respects, with the requirements referred to above applying to its major federal program for the year ended June 30, 2004.



### **Internal Control Over Compliance**

The Village's management 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's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-consequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 2005-010 through 2005-013 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with federal program's compliance requirements. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's response to the finding we identified is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Village Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2004**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(I)(i)</i>	<b>Type of Financial Statement Opinion</b>	Qualified
<i>(d)(I)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(I)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(I)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(I)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(I)(iv)</i>	<b>Were there any other significant deficiencies reported for major federal programs?</b>	Yes
<i>(d)(I)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<i>(d)(I)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	Yes
<i>(d)(I)(vii)</i>	<b>Major Programs (list):</b>	Water and Waste Disposal Systems for Rural Communities CFDA # 10.760
<i>(d)(I)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(I)(ix)</i>	<b>Low Risk Auditee?</b>	No

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-001**

**Noncompliance Citation/Significant Deficiency/Material Weakness**

**Ohio Rev. Code section 149.351(A)** establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law.

For the audit period the following documentation were not provided by Village:

- Income Tax receipts – no supporting documentation, such as individual tax returns in 2004 and only 10% of 2005 total income tax receipts were available.
- Charges for Services – no supporting documentation for entries into Cash Journal for water deposits in both years. Beginning in 2005 when service started, only approximately 30% of deposit records were provided and only partial meter readings and billing registers were available for our testing.

Inadequate supporting documentation eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and irregularities occurring and not being detected by management in a timely manner. In addition, lack of adequate supporting documentation could result in the Village making inappropriate disbursements for goods or services not actually received by the Village.

We recommend that no payment be made from the Village that is not supported by an approved voucher package that would include an original receipt or invoice.

**Management's Response** – We did not receive a response from the Village to this finding.

**FINDING NUMBER 2005-002**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.39** requires that total appropriations from each fund not exceed total estimated fund resources from each fund. This section also requires the Village to obtain a County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

During 2004, total appropriations exceeded total estimated resources during the year in the General, Water and Refuse Collection Funds.

Village Council should monitor appropriations versus estimated resources to help avoid overspending.

**Management's Response** – We did not receive a response from the Village to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-003**

**Noncompliance Citation/Significant Deficiency**

**Ohio Rev. Code Section 5705.41 (B)** states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in 2005 and 2004 in the Water Fund.

We recommend the Village Clerk modify appropriations with the Board of Council Members and County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The Village Clerk should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

**Management's Response** – We did not receive a response from the Village to this finding.

**FINDING NUMBER 2005-004**

**Noncompliance Citation/Significant Deficiency**

**Ohio Revised Code § 5705.41(D)(1)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer (Clerk) can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority (Board of Village Council) can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$1,000 (which was increased to \$3,000 on April 7, 2003) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-004 (Continued)**

**Noncompliance Citation/Significant Deficiency (Continued)**

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Effective September 26, 2003, certificates may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend beyond the end of the fiscal year. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 89% of the expenditures tested during 2005 and 46% of the expenditures tested during 2004 and there was no evidence that the Village followed the aforementioned exceptions.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, “then and now” certification should be used.

**Management’s Response** – We did not receive a response from the Village to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

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

**FINDING NUMBER 2005-005**

**Significant Deficiency**

**Complete Voucher Packages**

The completed voucher packages should be the basis for the preparation of checks. The package should include the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of the goods or services and the accuracy of the quantity and price, and a copy of the requisition or purchase order to document the fiscal officer's prior certification that sufficient appropriations and resources were available to meet the obligation.

The Village did not always present complete voucher packages or copies of checks to support expenditure. This practice and lack of adequate supporting documentation could result in loss of Village funds or personal liability of the Village's Officials.

We recommend that all expenditures be supported by complete voucher packages, including the voucher signed by the appropriate officials to document their approval, the original invoice approved by the receiving employee or official to document the receipt of goods or services and the accuracy of the quantity and price, a copy of the requisition or purchase order to document the Clerk's prior certification, to help insure that all Village expenditures are for goods or services received, properly approved, and for a proper public purpose.

**Management's Response** – We did not receive a response from the Village to this finding.

**FINDING NUMBER 2005-006**

**Significant Deficiency**

**Monthly Cash Reconciliations**

The Clerk/Treasurer performs a reconciliation of the ledger balances and the bank balances monthly. However, the Clerk/Treasurer does not present the reconciliation or any financial information to Council for review. This may lead to errors or irregularities going undetected or not being detected in a timely manner.

The monthly reconciliation along with a recap of the monthly financial activity should be presented to Council and approved by Council at the regular monthly Council meeting. This will help Council effectively monitor the Village's financial position and will aid in the timely detection of errors or irregularities.

**Management's Response** – We did not receive a response from the Village to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2005-007**

**Significant Deficiency**

**Timely Deposits**

The Village does not have a control procedure for timely depositing of monies received by the clerk. Public monies received by the Village Clerk should be deposited in the Village depository within the first business day of the week following the date of collection.

We noted several instances in which receipts were not deposited in a timely manner.

We recommend the Village adopt a procedure to ensure timely depositing of public monies collected.

**Management's Response** – We did not receive a response from the Village to this finding.

**FINDING NUMBER 2005-008**

**Significant Deficiency**

**Monitoring of Adjustments to Water Accounts**

The Village's Utilities Department generates a report that details adjustments made to customer billings on a monthly basis. However, we could find no indication that these reports were reviewed and approved by appropriate Village management. This could result in an increased risk of the Village not receiving monies owed for water utilities. Also, inappropriate adjustments are more likely to occur without proper approval prior to adjustments being made.

We recommend appropriate management review and approve bill adjustment reports.

**Management's Response** – We did not receive a response from the Village to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2005-009**

**Significant Deficiency**

**On-Behalf-of Grants**

When a local government enters into an on-behalf-of program agreement whereby the local government or its residents are the beneficiaries under the agreement, the cash benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

In 2004, the Ohio Public Works Commission made disbursements on-behalf of the Village of Roswell in federal construction funds for water projects. The Village only recorded partial memorandum receipts and disbursements for the aforementioned funds. As a result, the Village's receipts and expenditures were understated.

We recommend that the clerk refer to Auditor of State Bulletin 2000-008 when receiving on-behalf-of grants to ensure the on-behalf-of grants are accurately recorded to the Village's ledgers and financial statements.

**Management's Response** – We did not receive a response from the Village to this finding.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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**Cash Management**

<b>Finding Number</b>	2005-010
<b>CFDA Title and Number</b>	10.760
<b>Federal Award Number / Year</b>	N/A - 2004
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Direct

**Noncompliance Citation/Significant Deficiency**

**OMB Circular A-102 and 24 C.F.R. Section 85.21** state, in part, grantees must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any funds.



**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>3. FINDINGS FOR FEDERAL AWARDS (Continued)</b>
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**FINDING NUMBER 2005-010 (Continued)**

**Noncompliance Citation/Significant Deficiency (Continued)**

The Village had expenditures which were in excess of fifteen days.

We recommend the Village develop a cash management system which ensures compliance with the Fifteen Day Rule.

**Management’s Response** – We did not receive a response from officials to this finding.

**Reporting**

<b>Finding Number</b>	2005-011
<b>CFDA Title and Number</b>	10.760
<b>Federal Award Number / Year</b>	N/A - 2004
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Direct

**Noncompliance Citation/Significant Deficiency**

**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 Clearinghouse within nine months after year end.

The Village did not file their annual audit with the Federal Audit Clearinghouse within the nine month period after year end.

We recommend that the Village file their annual audit with the Federal Audit Clearinghouse.

**Management’s Response** – We did not receive a response from officials to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

**3. FINDINGS FOR FEDERAL AWARDS (Continued)**

**Financial Reporting**

<b>Finding Number</b>	2005-012
<b>CFDA Title and Number</b>	10.760
<b>Federal Award Number / Year</b>	N/A - 2004
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Direct

**Noncompliance Citation/Significant Deficiency**

The Water or Waste System Grant Agreement requires grantees to provide accurate, current and complete disclosure of the financial results of each grant and that financial reporting shall be on an accrual basis of accounting.

The Village did not submit the financial reporting on the accrual basis of accounting as required by the grant agreement.

We recommend the Village Council prepare and submit financial reports as required on an accrual basis of accounting in order to comply with the grant requirements.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

**3. FINDINGS FOR FEDERAL AWARDS (Continued)**

**Cash Management**

<b>Finding Number</b>	2005-013
<b>CFDA Title and Number</b>	10.760
<b>Federal Award Number / Year</b>	N/A - 2004
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass-Through Agency</b>	Direct

**Noncompliance Citation/Significant Deficiency**

During September 2004, Rural Development received requests for funds from the Village of Roswell for payment of various water project related items. These invoices were to be paid from the Rural Development interim loan through OWDA. OWDA disbursed 100% of the requested funds in a timely manner. The Village then requested funds for the same expenditures from OPWC. Ohio Public Works Commission released funds directly to the Village equal to 12% of the requested invoice total (12% equaled \$31,632) without the knowledge of Rural Development. We consider these to be questioned costs.

Requesting funds from more than one source for the same expenditures resulted in the Village receiving grant monies they were not entitled to receive. This practice could result delays or disruptions in future federal funding

We recommend the Village exercise diligence in preparing requests for funding and ensure monies are not requested from more than one source for like expenditures. This will help ensure future federal funding is not jeopardized. As of the date of this audit report, the overpayment has been recouped through additional invoices submitted by the Village.

**Management's Response** – We did not receive a response from officials to this finding.

**VILLAGE OF ROSWELL  
TUSCARAWAS COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A-133 § .313(c)  
DECEMBER 31, 2004**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2005-001	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-002	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-003	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-004	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-005	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-006	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-007	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-008	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-009	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-010	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-011	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-012	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer
2005-013	We did not receive a response from officials to this finding.	N/A	Michelle Maple, Fiscal Officer



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF ROSWELL**

**TUSCARAWAS 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 29, 2008**