

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2003 and 2002

BARBARA MILLER, FISCAL OFFICER



**Auditor of State
Betty Montgomery**

Members of Council and Mayor
Village of Rossburg
Rossburg, Ohio

We have reviewed the Independent Auditor's Report of the Village of Rossburg, Darke County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 3, 2004

This Page is Intentionally Left Blank.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report.....	1
Combined Statement of Cash Fund Balances - All Fund Types - Cash Basis December 31, 2003 and 2002	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For The Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2003	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types For The Year Ended December 31, 2002	5
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual For The Year Ended December 31, 2002	6
Notes to the Financial Statements	7 - 12
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	13 - 14
Schedule of Findings.....	15 - 16
Schedule of Prior Audit Findings	17

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report

Members of Council and Mayor
Village of 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 (the “Village”), Darke County, Ohio as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of the Village’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2004 on our consideration of the Village’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Trimble, Julian & Grube, Inc.
March 30, 2004

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

	<u>2003</u>	<u>2002</u>
<u>Cash and Cash Equivalents</u>		
Cash and Cash Equivalents	<u>\$ 139,469</u>	<u>\$ 130,352</u>
 <u>Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General Fund	\$ 82,633	\$ 82,196
Special Revenue Funds	<u>56,836</u>	<u>48,156</u>
Total Governmental Fund Types	<u>139,469</u>	<u>130,352</u>
Total Fund Balances	<u>\$ 139,469</u>	<u>\$ 130,352</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, 2003

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 7,824	\$ -	\$ 7,824
Intergovernmental	34,843	12,494	47,337
Fines	25	-	25
Interest	506	293	799
Total cash receipts	43,198	12,787	55,985
Cash disbursements:			
Current:			
Security of persons and property	14,806	-	14,806
Public health services	481	-	481
Leisure time activities	-	758	758
Basic utility	12,526	-	12,526
Transportation	-	3,349	3,349
General government	14,688	-	14,688
Capital outlay	260	-	260
Total cash disbursements	42,761	4,107	46,868
Total cash receipts over cash disbursements	437	8,680	9,117
Cash fund balances, January 1, 2003	82,196	48,156	130,352
Cash fund balances, December 31, 2003	\$ 82,633	\$ 56,836	\$ 139,469

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, 2003

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2003 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances Outstanding at 12/31/03	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 82,046	\$ 45,114	\$ 127,160	\$ 43,198	\$ (1,916)	\$ 150	\$ 126,794	\$ 126,944	\$ 42,761	\$ -	\$ 42,761	\$ 84,183
Special Revenue	48,156	9,000	57,156	12,787	3,787	-	57,156	57,156	4,107	-	4,107	53,049
Total (Memorandum Only)	<u>\$ 130,202</u>	<u>\$ 54,114</u>	<u>\$ 184,316</u>	<u>\$ 55,985</u>	<u>\$ 1,871</u>	<u>\$ 150</u>	<u>\$ 183,950</u>	<u>\$ 184,100</u>	<u>\$ 46,868</u>	<u>\$ -</u>	<u>\$ 46,868</u>	<u>\$ 137,232</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, 2002

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash receipts:				
Local taxes	\$ 7,685	\$ -	\$ -	\$ 7,685
Intergovernmental	44,264	9,622	9,000	62,886
Fines	50	-	-	50
Interest	<u>908</u>	<u>473</u>	<u>-</u>	<u>1,381</u>
Total cash receipts	<u>52,907</u>	<u>10,095</u>	<u>9,000</u>	<u>72,002</u>
Cash disbursements:				
Current:				
Security of persons and property	28,472	-	-	28,472
Public health services	483	-	-	483
Leisure time activities	-	22	-	22
Basic utility	11,129	-	-	11,129
Transportation	-	1,351	-	1,351
General government	14,851	-	-	14,851
Capital outlay	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Total cash disbursements	<u>54,935</u>	<u>1,373</u>	<u>9,000</u>	<u>65,308</u>
Total cash receipts over/(under) cash disbursements	(2,028)	8,722	-	6,694
Cash fund balances, January 1, 2002	<u>84,224</u>	<u>39,434</u>	<u>-</u>	<u>123,658</u>
Cash fund balances, December 31, 2002	<u>\$ 82,196</u>	<u>\$ 48,156</u>	<u>\$ -</u>	<u>\$ 130,352</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, 2002

Fund Types	Receipts					Disbursements					
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2002 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2002 Appropriations	Total	Actual 2002 Disbursements	Encumbrances Outstanding at 12/31/02	Total
Governmental:											
General	\$ 68,247	\$ 54,014	\$ 122,261	\$ 52,907	\$ (1,107)	\$ 15,977	\$ 108,642	\$ 124,619	\$ 54,935	\$ 150	\$ 55,085
Special Revenue	39,434	14,419	53,853	10,095	(4,324)	-	52,225	52,225	1,373	-	1,373
Capital Projects	-	-	-	9,000	9,000	-	-	-	9,000	-	9,000
Total (Memorandum Only)	\$ 107,681	\$ 68,433	\$ 176,114	\$ 72,002	\$ 3,569	\$ 15,977	\$ 160,867	\$ 176,844	\$ 65,308	\$ 150	\$ 65,458

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, 2003 AND 2002

NOTE 1 - DESCRIPTION OF THE ENTITY

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

The Village operates under a council-mayor form of government and provides the following services: general governmental services, 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.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

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

The Village had the following significant special revenue fund:

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

Capital Projects 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 in 2002.

Community Development Block Grant Fund (CDBG) - This fund receives 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 object level within each department 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, 2003 AND 2002

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

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds are legally required to be budgeted. 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 supplemental appropriations in 2003 and 2002.

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.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

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

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 2003.

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 \$799 and \$1,381 for the years ended December 31, 2003 and 2002, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

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

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.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

NOTE 3 - COMPLIANCE

The following fund had expenditures in excess of appropriations for the year ended December 31, 2002 in noncompliance with Ohio Revised Code Section 5705.41(B):

	Expenditures	Appropriations	Excess
2002:			
<u>Fund Type/Fund/Department/Object</u>			
<u>Capital Projects (CDBG) Fund</u>			
Capital Outlay	\$ 9,000	\$ -	\$ (9,000)

The Village did not properly establish all funds contrary to Ohio Revised Code Section 5705.09.

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>2003</u>	<u>2002</u>
Deposits	<u>\$ 139,469</u>	<u>\$ 130,352</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 is assessed by the property owners, who must file a list of such property to the County by each April 30.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO**

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

NOTE 5 - PROPERTY TAX - (Continued)

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

NOTE 6 - RETIREMENT SYSTEM

The Village's 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 2003 and 2002, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2003, the Village has an outstanding liability of \$55 owed to OPERS.

NOTE 7 - RISK MANAGEMENT

In 2003 and 2002, 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

NOTE 8 - CONTINGENT LIABILITY

LITIGATION

The Village is currently not involved in litigation.

NOTE 9 - SUBSEQUENT EVENTS

In 2004 the Village received proceeds on a loan from the Ohio Environmental Protection Agency in the amount of \$25,000 for the purpose of constructing a new sewage system within the Village.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

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

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

We have audited the financial statements of the Village of Rossburg (the “Village”), Darke County, Ohio as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-VOR-001 and 2003-VOR-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 30, 2004.

Members of Council and Mayor
Village of Rossburg

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated March 30, 2004.

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

Trimble, Julian & Grube, Inc.
March 30, 2004

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO
DECEMBER 31, 2003 AND 2002**

SCHEDULE OF FINDINGS

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

Finding Number	2003-VOR-001
----------------	--------------

Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.

It was noted during the audit that in the year ended December 31, 2002, the Village had expenditures in excess of appropriations in the following line item:

	Expenditures	Appropriations	Excess
2002:			
<u>Fund Type/Fund/Department/Object</u>			
<u>Capital Projects (CDBG) Fund</u>			
Capital Outlay	\$ 9,000	\$ -	\$ (9,000)

The Village should appropriate through Village Council monies spent on-behalf of the Village when services are performed by another government.

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

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO
DECEMBER 31, 2003 AND 2002**

SCHEDULE OF FINDINGS

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

Finding Number	2003-VOR-002
----------------	--------------

Ohio Revised Code Section 5705.09 requires the establishment of certain funds for all entities when revenues are to be used for a particular purpose.

It was noted during the audit that the Village received on-behalf-of-payments relating to Community Development Block Grant money which in turn requires the establishment of a separate fund.

By not establishing a fund to account for these transactions, monies may be commingled with other monies or may not be properly accounted for.

We recommend that the Village consider reviewing Ohio Revised Code Section 5705.09, consult with legal counsel, and seek advice from its auditors to determine when the creation of specific funds may be required.

**VILLAGE OF ROSSBURG
DARKE COUNTY, OHIO
DECEMBER 31, 2003 AND 2002**

SCHEDULE OF PRIOR AUDIT FINDINGS

<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>
2001-VOR-001	Ohio Revised Code Section 5705.41(B) in part requires that expenditures shall not exceed appropriations.	No	Reported as finding 2003-VOR-001.
2001-VOR-002	Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund not exceed total estimated resources from each fund.	Yes	N/A

This Page is Intentionally Left Blank.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF 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
MAY 13, 2004**