



Mary Taylor, CPA
Auditor of State

VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY

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Mary Taylor, CPA
Auditor of State

Village of Christiansburg
Champaign County
P.O. Box 115
Christiansburg, Ohio 45389

To the Village Council:

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 24, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Christiansburg
Champaign County
P.O. Box 115
Christiansburg, Ohio 45389

To the Village Council:

We have audited the accompanying financial statements of the Village of Christiansburg, Champaign County, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or its changes in financial position or cash flows, where applicable, for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Christiansburg, Champaign County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2009, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

August 24, 2009

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$17,721	\$19,400		\$37,121
Intergovernmental	27,133	32,395		59,528
Charges for Services		5,558		5,558
Fines, Licenses and Permits	207			207
Earnings on Investments	7,945	1,421	\$8	9,374
Miscellaneous	1,723	4,401		6,124
Total Cash Receipts	<u>54,729</u>	<u>63,175</u>	<u>8</u>	<u>117,912</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	3,077	26,900		29,977
Leisure Time Activities	2,386	13,219		15,605
Transportation	20,299	16,563		36,862
General Government	26,659	965		27,624
Total Cash Disbursements	<u>52,421</u>	<u>57,647</u>		<u>110,068</u>
Total Receipts Over Disbursements	<u>2,308</u>	<u>5,528</u>	<u>8</u>	<u>7,844</u>
Other Financing Receipts / (Disbursements):				
Transfers-In			15,000	15,000
Transfers-Out	(16,593)			(16,593)
Other Financing Sources		1,800		1,800
Total Other Financing Receipts / (Disbursements)	<u>(16,593)</u>	<u>1,800</u>	<u>15,000</u>	<u>207</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,285)	7,328	15,008	8,051
Fund Cash Balances, January 1	<u>148,797</u>	<u>136,152</u>		<u>284,949</u>
Fund Cash Balances, December 31	<u>\$134,512</u>	<u>\$143,480</u>	<u>\$15,008</u>	<u>\$293,000</u>
Reserve for Encumbrances, December 31	<u>\$1,764</u>	<u>\$3,749</u>	<u>\$0</u>	<u>\$5,513</u>

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

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$91,709
Operating Cash Disbursements:	
Personal Services	3,944
Employee Fringe Benefits	587
Contractual Services	629,333
Supplies and Materials	6,442
Total Operating Cash Disbursements	640,306
Operating (Loss)	(548,597)
Non-Operating Cash Receipts:	
Miscellaneous	80
Other Financing Sources	589,125
Total Non-Operating Cash Receipts	589,205
Non-Operating Cash Disbursements:	
Capital Outlay	(29,670)
Principal	(11,458)
Interest	(6,482)
Total Non-Operating Cash Disbursements	(47,610)
Excess of Receipts (Under) Disbursements Before Interfund Transfers and Advances	(7,002)
Transfers-In	1,593
Net Receipts (Under) Disbursements	(5,409)
Fund Cash Balance, January 1	186,132
Fund Cash Balance, December 31	\$180,723
Reserve for Encumbrances, December 31	\$158,070

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

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$18,640	\$22,754	\$41,394
Intergovernmental	25,275	31,037	56,312
Charges for Services		7,699	7,699
Fines, Licenses and Permits	283		283
Earnings on Investments	14,178	1,678	15,856
Miscellaneous	6	2,917	2,923
Total Cash Receipts	<u>58,382</u>	<u>66,085</u>	<u>124,467</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	3,062	25,855	28,917
Leisure Time Activities	4,508	10,703	15,211
Transportation	7,789	21,935	29,724
General Government	31,316	4,707	36,023
Total Cash Disbursements	<u>46,675</u>	<u>63,200</u>	<u>109,875</u>
Total Receipts Over Disbursements	<u>11,707</u>	<u>2,885</u>	<u>14,592</u>
Other Financing Receipts / (Disbursements):			
Transfers-Out	(1,210)		(1,210)
Other Financing Sources		400	400
Total Other Financing Receipts / (Disbursements)	<u>(1,210)</u>	<u>400</u>	<u>(810)</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	10,497	3,285	13,782
Fund Cash Balances, January 1	<u>138,300</u>	<u>132,867</u>	<u>271,167</u>
Fund Cash Balances, December 31	<u>\$148,797</u>	<u>\$136,152</u>	<u>\$284,949</u>
Reserve for Encumbrances, December 31	<u>\$3,007</u>	<u>\$6,201</u>	<u>\$9,208</u>

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Proprietary Fund
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$68,583
Operating Cash Disbursements:	
Personal Services	5,549
Employee Fringe Benefits	877
Contractual Services	147,673
Supplies and Materials	8,778
Total Operating Cash Disbursements	162,877
Operating (Loss)	(94,294)
Non-Operating Cash Receipts:	
Other Financing Sources	79,230
Non-Operating Cash Disbursements:	
Capital Outlay	(11,341)
Principal	(2,850)
Total Non-Operating Cash Disbursements	(14,191)
Excess of Receipts (Under) Disbursements Before Interfund Transfers and Advances	(29,255)
Transfers-In	1,210
Net Receipts (Under) Disbursements	(28,045)
Fund Cash Balance, January 1	214,177
Fund Cash Balance, December 31	\$186,132
Reserve for Encumbrances, December 31	\$6,374

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Christiansburg, Champaign County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water utilities, park operations, and police services. The Village contracts with the Champaign County Sheriff's department to provide security of persons and property. The Village contracts with the Christiansburg Fire Company to receive fire protection services.

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

B. Accounting Basis

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

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

C. Deposits and Investments

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

The Village valued the certificates of deposit at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

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

Fire and Ambulance Fund – This fund receives tax revenue that is levied for purposes of contracting fire and ambulance services.

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Addison Lateral Fund – This fund receives transfers from the General Fund to pay for future work on the Addison Lateral storm sewer.

4. Enterprise Fund

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Water Fund - This fund receives charges for services from residents to cover water service costs.

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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	<u>2008</u>	<u>2007</u>
Demand deposits	\$255,352	\$217,794
Certificates of deposit	36,914	36,914
Total deposits	<u>292,266</u>	<u>254,708</u>
STAR Ohio	181,457	216,373
Total deposits and investments	<u><u>\$473,723</u></u>	<u><u>\$471,081</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 58,000	\$ 54,729	(\$ 3,271)
Special Revenue	67,200	64,975	(2,225)
Capital Projects	15,000	15,008	8
Enterprise	955,218	682,507	(272,711)
Total	<u><u>\$1,095,418</u></u>	<u><u>\$817,219</u></u>	<u><u>(\$278,199)</u></u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 91,515	\$ 70,778	\$ 20,737
Special Revenue	104,731	61,396	43,335
Capital Projects	15,000	15,000	15,000
Enterprise	1,019,004	845,986	173,018
Total	<u><u>\$1,230,250</u></u>	<u><u>\$978,160</u></u>	<u><u>\$252,090</u></u>

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 55,280	\$ 58,382	\$3,102
Special Revenue	66,600	66,485	(115)
Enterprise	150,210	149,023	(1,187)
Total	<u><u>\$272,090</u></u>	<u><u>\$273,890</u></u>	<u><u>\$1,800</u></u>

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 77,059	\$ 50,892	\$26,167
Special Revenue	103,688	69,401	34,287
Enterprise	218,241	183,442	34,799
Total	\$398,988	\$303,735	\$95,253

4. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Village.

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

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

5. DEBT

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$658,893	1.50%

The Ohio Water Development Authority (OWDA) loan relates to the Village's construction, maintenance, and operation of a water plant project. The OWDA approved up to \$945,637 in loans to the Village for this project. On April 27, 2006, there was an \$82,012 planning loan #4486, which rolled into the construction loan #4824 on January 15, 2008. Thus, the OWDA confirmed the planning loan balance was zero at December 31, 2008. The OWDA construction loan was approved on December 13, 2007. The Village will repay the loan in semiannual installments of \$17,940, including interest, over 30 years. The scheduled payment amount assumes that \$864,216 will be borrowed. The OWDA will adjust scheduled payments to reflect any revisions when the project is completed and approved by the Environmental Protection Agency. The maturity date of the loan is July 1, 2038. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. DEBT (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>OWDA Loan</u>
2009	\$ 17,940
2010	35,879
2011	35,879
2012	35,879
2013	35,879
2014 - 2018	179,397
2019 - 2023	179,397
2024 - 2028	179,397
2029 - 2033	179,397
2034 - 2038	179,397
Total	<u>\$1,058,441</u>

6. RETIREMENT SYSTEMS

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Village contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2008.

7. RISK POOL MEMBERSHIP

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

VILLAGE OF CHRISTIANSBURG
CHAMPAIGN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)

7. RISK POOL MEMBERSHIP

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	<u>\$ 6,862,902</u>	<u>\$6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.



Mary Taylor, CPA

Auditor of State

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

Village of Christiansburg
Champaign County
P.O. Box 115
Christiansburg, Ohio 45389

To the Village Council:

We have audited the financial statements of the Village of Christiansburg, Champaign County, (the Village) as of and for the years ended December 31, 2008, and 2007, and have issued our report thereon dated August 14, 2009 wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider 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 findings 2008-001 through 2008-002 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe finding number 2008-001 is also a material weakness.

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

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2008-003.

We did note certain noncompliance or other matters that we reported to the Village's management in a separate letter dated August 24, 2009.

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

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



Mary Taylor, CPA
Auditor of State

August 24, 2009

**VILLAGE OF CHRISTIANBURG
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Material Weakness

Collection of Park Concessions

The collection process of the Village's park concessions was inadequate due to the lack of internal controls during 2008 and 2007. The Village did not utilize a method to account for the items sold and the cash that was subsequently collected, which resulted in a lack of supporting documentation for \$4,585 and \$5,028 in 2008 and 2007 concession sales, respectively. Concession sales represented approximately seven percent of total revenue. Additional procedures were performed to substantiate reported amounts.

Proper supporting documentation allows for accurate financial-reporting including proper classification of revenues.

The Village should develop and implement policies to verify that proper receipting procedures are being performed. These include maintaining support documentation including deposit slips and posting transactions accurately. Periodically, Village management should compare receipts to invoices representing the goods sold to estimate whether the "profit margin" is reasonable. These procedures will provide improved financial monitoring, reporting and accountability.

FINDING NUMBER 2008-002

Significant Deficiency

Monitoring of Monthly Bank Reconciliations

The Village did not provide audit evidence that the Council was performing monthly monitoring of the bank reconciliations. This Village's failure to employ monitoring controls such as the review of the monthly bank reconciliation process could result in the Council's failure to detect mismanagement of funds, loss of important financial information, and un-reconciled bank-to-book accounts.

To strengthen internal accounting controls and to help prevent the loss of funds, the Council should inspect the monthly bank reconciliations to verify they are performed timely, no unusual reconciling items are present, and the financial system agrees to the bank account information. In addition, Council should document the review of the bank reconciliations either noting their approval in the meeting minutes or signing the bank reconciliations.

FINDING NUMBER 2008-003

Material Noncompliance

Ohio Rev. Code Section 5705.36(A)(4) requires obtaining a reduced amended certificate if the actual resources will be less than appropriations.

At December 31, 2008, the Water Fund had actual resources (receipts and unencumbered balance) of \$860,592 and appropriations of \$1,012,630, which resulted in appropriations exceeding available resources by \$152,038. The Council and Fiscal Officer should monitor the available resources to verify that appropriations do not exceed them throughout the year, and any required amendments should be approved when necessary.

Officials' Response:

We did not receive a response from Officials to the findings reported above.



Mary Taylor, CPA
Auditor of State

VILLAGE OF CHRISTIANSBURG

CHAMPAIGN 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
OCTOBER 6, 2009**