

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO**

*Financial Statements  
(Audited)*

For The Years Ended  
December 31, 1999 and 1998

TRIMBLE, JULIAN & GRUBE, INC.

TJG

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO**

*Financial Statements  
(Audited)*

For The Years Ended  
December 31, 1999 and 1998

**BARBARA MILLER, CLERK/TREASURER**

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 .....	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual - 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - All Governmental Fund Types - 1998 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Fund Balances - Fiduciary Fund - 1998 .....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Encumbrances Compared with Expenditure Authority - Budget and Actual - 1998 .....	7
Notes to the Financial Statements .....	8 - 16
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> .....	17 - 18
Schedule of Findings .....	19



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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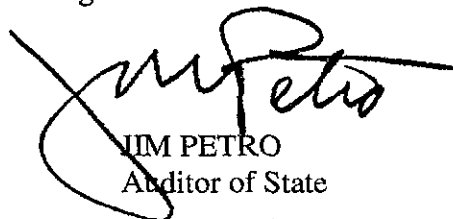
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Members of Council and Mayor  
Village of Rossburg  
200 West Main Street  
Rossburg, Ohio 45362

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, 1998 to December 31, 1999. 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.



JIM PETRO  
Auditor of State

June 20, 2000

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## Independent Auditor's Report

Members of Council and Mayor  
Village of Rossburg  
200 West Main Street  
Rossburg, Ohio 45362

We have audited the accompanying financial statements of the Village of Rossburg, Darke County, Ohio as of and for the years ended December 31, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the Village of Rossburg's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of Rossburg 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 generally accepted accounting principles.

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, as of December 31, 1999 and 1998, 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 May 9, 2000 on our consideration of the Village of Rossburg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the Village of Rossburg'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.  
May 9, 2000

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES  
ALL FUND TYPES  
DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Cash</u>		
Cash and Cash Equivalents	\$ 100,871	\$ 96,574
Total Cash	<u>\$ 100,871</u>	<u>\$ 96,574</u>
<u>Fund Balances</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 69,400	\$ 62,657
Special Revenue Funds	<u>31,471</u>	<u>33,917</u>
Total Governmental Funds	<u>100,871</u>	<u>96,574</u>
Total Fund Balances	<u>\$ 100,871</u>	<u>\$ 96,574</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, 1999**

	<u>Governmental Fund Types</u>			<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash receipts:				
Local taxes	\$ 7,750			\$ 7,750
Intergovernmental	36,086	\$ 13,400	\$ 24,500	73,986
Interest	1,385	598		1,983
Miscellaneous	260			260
Total cash receipts	<u>45,481</u>	<u>13,998</u>	<u>24,500</u>	<u>83,979</u>
Cash disbursements:				
Current:				
Security of persons and property	12,459			12,459
Public health services	465	203		668
Leisure time activities	113			113
Basic utility	9,075			9,075
Community environment	9,754			9,754
Transportation		2,383		2,383
General government			24,500	24,500
Capital outlay	6,872	14,969		21,841
Total cash disbursements	<u>38,738</u>	<u>17,555</u>	<u>24,500</u>	<u>80,793</u>
Total cash receipts over/(under) cash disbursements	<u>6,743</u>	<u>(3,557)</u>	<u>-</u>	<u>3,186</u>
Other financing receipts:				
Sale of assets		1,111		1,111
Total other financing receipts	<u>-</u>	<u>1,111</u>	<u>-</u>	<u>1,111</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements	6,743	(2,446)	-	4,297
Cash fund balances, January 1, 1999	<u>62,657</u>	<u>33,917</u>	<u>-</u>	<u>96,574</u>
Cash fund balances, December 31, 1999	<u>\$ 69,400</u>	<u>\$ 31,471</u>	<u>\$ -</u>	<u>\$ 100,871</u>

The notes to the financial statement 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, 1999

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)
	Budget	Actual 1999 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1999 Appropriations	Total	Actual 1999 Disbursements	Encumbrances Outstanding at 12/31/99	
Governmental:									
General	\$ 41,994	\$ 45,481	\$ 3,487		\$ 103,110	\$ 103,110	\$ 38,738		\$ 38,738
Special Revenue	16,037	15,109	(928)	\$ 300	49,064	49,364	17,555		17,555
Capital Projects	24,500	24,500	-		24,500	24,500	24,500		24,500
<b>Total</b>	<b>\$ 82,531</b>	<b>\$ 85,090</b>	<b>\$ 2,559</b>	<b>\$ 300</b>	<b>\$ 176,674</b>	<b>\$ 176,974</b>	<b>\$ 80,793</b>	<b>\$ -</b>	<b>\$ 80,793</b>
(Memorandum Only)									
									<b>\$ 96,181</b>

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, 1998**

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
<b>Cash receipts:</b>				
Local taxes	\$ 9,361			\$ 9,361
Intergovernmental	32,536	\$ 12,341	\$ 28,000	72,877
Fines	1,572			1,572
Interest	1,359	591		1,950
Contributions		1,220		1,220
Miscellaneous	424			424
<b>Total cash receipts</b>	<u>45,252</u>	<u>14,152</u>	<u>28,000</u>	<u>87,404</u>
<b>Cash disbursements:</b>				
<b>Current:</b>				
Security of persons and property	19,471			19,471
Public health services	442			442
Leisure time activities	1,152	7,825		8,977
Basic utility	10,499			10,499
Community environment		3,501		3,501
Transportation	233			233
General government	12,229			12,229
Capital outlay			28,000	28,000
<b>Total cash disbursements</b>	<u>44,026</u>	<u>11,326</u>	<u>28,000</u>	<u>83,352</u>
<b>Total cash receipts over cash disbursements</b>	<u>1,226</u>	<u>2,826</u>	<u>-</u>	<u>4,052</u>
<b>Other financing receipts/(disbursements):</b>				
Transfer-in		3,000		3,000
Transfer-out	(3,000)			(3,000)
<b>Total other financing receipts/(disbursements)</b>	<u>(3,000)</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
<b>Excess of cash receipts and other financing receipts (under)/over cash disbursements and other financing disbursements</b>	<u>(1,774)</u>	<u>5,826</u>	<u>-</u>	<u>4,052</u>
<b>Cash fund balances, January 1, 1998</b>	<u>64,431</u>	<u>28,091</u>	<u>-</u>	<u>92,522</u>
<b>Cash fund balances, December 31, 1998</b>	<u>\$ 62,657</u>	<u>\$ 33,917</u>	<u>\$ -</u>	<u>\$ 96,574</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 - FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Nonoperating cash receipts:	
Fines	\$ 2,052
Total nonoperating cash receipts	<u>2,052</u>
Nonoperating cash disbursements:	
Distribution of fines collected	<u>2,052</u>
Total nonoperating cash disbursements	<u>2,052</u>
Net of cash receipts and cash disbursements	-
Cash fund balances, January 1, 1998	<u>-</u>
Cash fund balances, December 31, 1998	<u>\$ -</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, 1998

Fund Types	Receipts			Disbursements					Variance Favorable (Unfavorable)	
	Budget	Actual 1998 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	1998 Appropriations	Total	Actual 1998 Disbursements	Encumbrances Outstanding at 12/31/98		Total
Governmental:										
General	\$ 38,218	\$ 45,252	\$ 7,034	\$ 1,074	\$ 101,028	\$ 102,102	\$ 47,026		\$ 47,026	\$ 55,076
Special Revenue	14,200	17,152	2,952	4,014	41,292	45,306	11,326	300	11,626	33,680
Capital Projects	28,000	28,000	-	-	28,000	28,000	28,000	-	28,000	-
<b>Total</b>	<b>\$ 80,418</b>	<b>\$ 90,404</b>	<b>\$ 9,986</b>	<b>\$ 5,088</b>	<b>\$ 170,320</b>	<b>\$ 175,408</b>	<b>\$ 86,352</b>	<b>\$ 300</b>	<b>\$ 86,652</b>	<b>\$ 88,756</b>

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, 1999 AND 1998

**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, leisure time activities, and police services.

Management believes the financial statements included in this report represent all of the funds of the Village over which the Village officials have direct operating control.

**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, 1999 AND 1998**

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

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.

*State Highway Fund* - This fund receives intergovernmental revenues to improve roads.

*Park Fund* - This fund receives grants and donations for the improvement of the community park.

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following significant capital projects fund:

*Street Improvement Fund* - This fund accumulates grant monies received and paid out on behalf of the Village to improve its streets and sidewalks.

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

*Mayor's Court* - (Agency Fund) - This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds are collected in part on behalf of the State of Ohio. The Village did not maintain Mayor's Court in 1999.

**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).

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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

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 item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

*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 finds 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.

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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

*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 several supplemental appropriations.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Village had no outstanding encumbrances at December 31, 1999.

**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 \$1,983 and \$1,950 for the years ended December 31, 1999 and 1998, 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.

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

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

**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. INTERFUND TRANSACTIONS**

During the course of normal operations, the Village had a transfer between funds. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers.

**H. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**NOTE 3 - COMPLIANCE**

The following fund had appropriations in excess of estimated revenues and unencumbered cash for the year ended December 31, 1998 in noncompliance with Ohio Revised Code Section 5705.39.

<u>Fund Type/Fund</u>	<u>Unencumbered Cash Plus Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<b><u>SPECIAL REVENUE FUND:</u></b>			
Park Fund	\$6,700	\$9,715	\$3,015

**NOTE 4 - EQUITY IN POOLED CASH**

Moneys held by the Village are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the Village treasury. Active moneys must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.



**VILLAGE OF ROSSBURG**  
**DARKE COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 4 - EQUITY IN POOLED CASH - (Continued)**

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Moneys held by the Village which are not considered active are classified as inactive. Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

**VILLAGE OF ROSSBURG**  
**DARKE COUNTY, OHIO**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

**NOTE 4 - EQUITY IN POOLED CASH - (Continued)**

2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations to the Village.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**DEPOSITS**

For the years ended December 31, 1999 and 1998, the carrying amount of the Village's deposits, were \$100,871 and \$96,574, respectively, and the bank balances were \$105,009 and \$98,673, respectively.

1. Of the bank balances: \$100,000 and \$98,673 was covered by federal depository insurance for 1999 and 1998, respectively.
2. \$5,009 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions for 1999.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

**NOTE 5 - INTERFUND TRANSACTION**

The following is a summarized breakdown of the Village's operating transfer for 1998:

	<u>Transfer-in</u>	<u>Transfer-out</u>
<u>GENERAL FUND</u>		\$3,000
<u>SPECIAL REVENUE FUND:</u>		
Parks and Recreation	\$3,000	
Totals	<u>\$3,000</u>	<u>\$3,000</u>

**NOTE 6 - 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.

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

**NOTE 7 - RETIREMENT SYSTEM**

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS 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 1999, PERS 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, 1999, the Village has paid all contributions required through December 31, 1999 and 1998.

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

**NOTE 8 - RISK MANAGEMENT**

In 1999 and 1998, the Village has 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 9 - CONTINGENT LIABILITY**

**LITIGATION**

The Village is currently not involved in litigation.

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## 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  
200 West Main Street  
Rossburg, Ohio 45362

We have audited the financial statements of the Village of Rossburg, Darke County, Ohio as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 9, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 of Rossburg'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1998-19416005-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village of Rossburg in a separate letter dated May 9, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Rossburg'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 May 9, 2000.

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.*

Trimble, Julian & Grube, Inc.  
May 9, 2000

**VILLAGE OF ROSSBURG  
DARKE COUNTY, OHIO  
DECEMBER 31, 1999 AND 1998**

**SCHEDULE OF FINDINGS**

<b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	1998-19416005-001
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Ohio Revised Code Section 5705.39 in part requires that appropriations shall not exceed estimated revenues plus unencumbered cash.

It was noted during the audit that in the year ended December 31, 1998, the Village had appropriations in excess of estimated revenues and unencumbered cash in the following fund:

<u>Fund Type/Fund</u>	<u>Unencumbered Cash Plus Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<b><u>SPECIAL REVENUE FUND:</u></b>			
Park	\$6,700	\$9,715	\$3,015

With appropriations exceeding resources, the Village is spending monies that are not lawfully appropriated for those purposes and thus could result in a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the Village should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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.

By: Susan Babbitt

Date: JULY 13, 2000