

**VILLAGE OF RAYLAND  
JEFFERSON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006**





# Mary Taylor, CPA

Auditor of State

Members of Village of Council  
Village of Rayland  
P.O. Box 188  
Rayland, Ohio 43943

We have reviewed the *Independent Accountants' Report* of the Village of Rayland, Jefferson County, prepared by Knox & Knox, for the audit period January 1, 1006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 6, 2010

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VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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# KNOX & KNOX

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Accountants and Consultants

## Independent Accountants' Report

Village of Rayland  
Jefferson County  
195 Main Street  
P.O. Box 188  
Rayland, OH 43943-0188

To the Village Council:

We have audited the accompanying financial statements of the Village of Rayland, Jefferson County, Ohio, (the Village) as of and for the years ended December 31, 2007 and 2006. 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared its 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. In addition to the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. 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 paragraph, the financial statements referred to above 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Rayland, Jefferson County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 February 13, 2009, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in considering the results of our audit.

***Knox & Knox***

Orrville, Ohio  
February 13, 2009

VILLAGE OF RAYLAND  
JEFFERSON 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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>CASH RECEIPTS:</b>					
Property and Other Local Taxes	\$22,637	\$6,548	\$3,530		\$32,715
Intergovernmental Receipts	35,280	26,530			61,810
Fines, Licenses, and Permits	1,698				1,698
Earnings on Investments	739				739
<b>Total Cash Receipts</b>	<b>60,354</b>	<b>33,078</b>	<b>3,530</b>		<b>96,962</b>
<b>CASH DISBURSEMENTS:</b>					
Current:					
Security of Persons and Property	14,699				14,699
Public Health Services	314				314
Leisure Time Activities	3,237				3,237
Transportation		38,580			38,580
General Government	41,046	7,821			48,867
<b>Total Cash Disbursements</b>	<b>59,296</b>	<b>46,401</b>			<b>105,697</b>
Total Receipts Over/(Under) Disbursements	1,058	(13,323)	3,530		(8,735)
Fund Cash Balances, January 1	(955)	40,268	2,055	\$10	41,378
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$103</b>	<b>\$26,945</b>	<b>\$5,585</b>	<b>\$10</b>	<b>\$32,643</b>

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

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>OPERATING CASH RECEIPTS:</b>			
Charges for Services	<u>\$97,127</u>		<u>\$97,127</u>
Total Operating Cash Receipts	<u>97,127</u>		<u>97,127</u>
<b>OPERATING CASH DISBURSEMENTS:</b>			
Personal Services	8,129		8,129
Contractual Services	58,235		58,235
Supplies and Materials	<u>19,678</u>		<u>19,678</u>
Total Operating Cash Disbursements	<u>86,042</u>		<u>86,042</u>
Operating Income/(Loss)	<u>11,085</u>		<u>11,085</u>
<b>NON-OPERATING CASH RECEIPTS:</b>			
Property Tax and Other Local Taxes		<u>\$3,501</u>	<u>3,501</u>
Total Non-Operating Cash Receipts		<u>3,501</u>	<u>3,501</u>
<b>NON-OPERATING CASH DISBURSEMENTS:</b>			
Other Non-Operating Cash Disbursements		<u>3,501</u>	<u>3,501</u>
Total Non-Operating Cash Disbursements		<u>3,501</u>	<u>3,501</u>
Net Receipts over/(Under) Disbursements	11,085		11,085
Fund Cash Balances, January 1	<u>50,506</u>		<u>50,506</u>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<u><u>\$61,591</u></u>		<u><u>\$61,591</u></u>

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

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>CASH RECEIPTS:</b>					
Property Tax and Other Local Taxes	\$7,195	\$6,429	\$2,635		\$16,259
Intergovernmental Receipts	36,086	35,272			71,358
Fines, Licenses, and Permits	2,439				2,439
Earnings on Investments	896				896
Miscellaneous		2,542	2,695	\$10	5,247
<b>Total Cash Receipts</b>	<b>46,616</b>	<b>44,243</b>	<b>5,330</b>	<b>10</b>	<b>96,199</b>
<b>CASH DISBURSEMENTS:</b>					
Current:					
Security of Persons and Property	12,674				12,674
Public Health Services	598				598
Leisure Time Activities	4,131				4,131
Transportation		37,292			37,292
General Government	24,926	18,403			43,329
Debt Service:					
Principal Payments			3,000		3,000
Interest Payments			275		275
<b>Total Cash Disbursements</b>	<b>42,329</b>	<b>55,695</b>	<b>3,275</b>		<b>101,299</b>
Total Receipts Over/(Under) Disbursements	4,287	(11,452)	2,055	10	(5,100)
Fund Cash Balances, January 1	(5,242)	51,720			46,478
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>(\$955)</b>	<b>\$40,268</b>	<b>\$2,055</b>	<b>\$10</b>	<b>\$41,378</b>

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

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>OPERATING CASH RECEIPTS:</b>			
Charges for Services	<u>\$97,869</u>		<u>\$97,869</u>
Total Operating Cash Receipts	<u>97,869</u>		<u>97,869</u>
<b>OPERATING CASH DISBURSEMENTS:</b>			
Personal Services	7,510		7,510
Contractual Services	58,337		58,337
Supplies and Materials	<u>21,026</u>		<u>21,026</u>
Total Operating Cash Disbursements	<u>86,873</u>		<u>86,873</u>
Operating Income/(Loss)	<u>10,996</u>		<u>10,996</u>
<b>NON-OPERATING CASH RECEIPTS:</b>			
Property Tax and Other Local Taxes		<u>\$6,335</u>	<u>6,335</u>
Total Non-Operating Cash Receipts		<u>6,335</u>	<u>6,335</u>
<b>NON-OPERATING CASH DISBURSEMENTS:</b>			
Other Non-Operating Cash Disbursements		<u>6,335</u>	<u>6,335</u>
Total Non-Operating Cash Disbursements		<u>6,335</u>	<u>6,335</u>
Net Receipts over/(Under) Disbursements	10,996		10,996
Fund Cash Balances, January 1	<u>39,510</u>		<u>39,510</u>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<u><u>\$50,506</u></u>		<u><u>\$50,506</u></u>

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

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Rayland, Jefferson County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services including water and sewer utilities, park operations and police services. The Village contracts with Rayland Volunteer Fire Department to provide fire protection services and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

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

Certificates of deposit are valued at cost.

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

2. Special Revenue Funds

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

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

2. Special Revenue Funds (continued)

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

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

3. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following debt service fund:

*Sewer Bond Fund* - This fund is used to retire sewer bond debt.

4. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

*Issue II Fund* - This fund receives Issue II monies which are used for special highway projects.

5. Enterprise Fund

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

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*Sewer Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*Sanitation Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

6. Fiduciary Fund (Agency Fund)

This fund accounts for activity for which the Village is acting in an agency capacity. The Village had the following significant Agency Fund:

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

6. Fiduciary Fund (Agency Fund) (continued)

*East Ohio Regional Transit Authority (EORTA) Fund* - This fund received tax monies which are paid to East Ohio Regional Transit Authority. The Authority provides bus service for Village residents.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the department, division, or office level of, and control, and within each, the amounts appropriated for personal services. The 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 commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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

2. EQUITY IN POOLED CASH

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

	2007	2006
Demand deposits	\$ 51,584	\$ 49,234
Certificates of deposit	42,650	42,650
Total deposits	\$ 94,234	\$ 91,884

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's entity deposit pool, or (3) collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$50,000	\$60,354	\$10,354
Special Revenue	51,000	33,078	(17,922)
Debt Service	5,000	3,530	(1,470)
Enterprise	104,000	97,127	(6,873)
Total	\$210,000	\$194,089	(\$15,911)

2007 Budgeted vs Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$69,660	\$59,296	\$10,364
Special Revenue	47,660	46,401	1,259
Enterprise	130,920	86,042	44,878
Total	\$248,240	\$191,739	\$56,501

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$50,000	\$46,616	(\$3,384)
Special Revenue	51,000	44,243	(6,757)
Debt Service	5,000	5330	330
Capital Projects		10	10
Enterprise	104,000	97,869	(6,131)
Total	\$210,000	\$194,068	(\$15,932)

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

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

3. BUDGETARY ACTIVITY (Continued)

Fund Type	2006 Budgeted vs Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$59,760	\$42,329	\$17,431
Special Revenue	27,210	55,695	(28,485)
Debt Service		3,275	(3,275)
Enterprise	126,520	86,873	39,647
Total	\$213,490	\$188,172	\$25,318

Contrary to Ohio law, expenditures exceeded appropriations in the special revenue and debt service funds during 2006; and appropriations exceeded estimated resources in the general fund during 2007 and 2006; and, the general fund had a negative balance in 2006.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments for 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 owner, 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. RETIREMENT SYSTEMS

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2007 and 2006, members contributed 9.5% and 9.0% of their gross salaries, respectively. The Village contributed an amount equal to 13.85% (2007) and 13.7% (2006) of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

6. RISK MANAGEMENT

The Village has obtained commercial insured for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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# KNOX & KNOX

Accountants and Consultants

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Rayland  
Jefferson County  
195 Main Street  
P.O. Box 188  
Rayland, OH 43943-0188

To the Village Council:

We have audited the accompanying financial statements of the Village of Rayland, Jefferson County, Ohio (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated February 13, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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.

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 control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we noted other matters that we reported to the Village's management in a separate letter dated February 13, 2009.

COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the Village's basic 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 two instances of noncompliance or other matters we must report under *Government Auditing Standards* which are shown in the accompanying schedule as Findings 2007-001 and 2007-002.

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.

*KNOX & KNOX*

Orrville, Ohio  
February 13, 2009

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-001

Noncompliance Citation

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed estimated resources. Appropriations exceeded estimated resources in the following fund type:

General Fund (2007, 2006)

Client response: Appropriations will be monitored to ensure that they do not exceed the official or amended certificate of resources.

FINDING NUMBER 2007-002

Noncompliance Citation

Ohio Revised Code Section 5705.41 (B) provides that expenditures shall not exceed appropriations. Expenditures exceeded appropriations in the following fund types:

Special Revenue (2006)  
Debt Service (2006)

Client response: Expenditures will be monitored to ensure that they do not exceed appropriations.

VILLAGE OF RAYLAND  
JEFFERSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

FINDING NUMBER	FINDING SUMMARY	FULLY CORRECTED?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2005-001	Ohio Revised Code Section 5705.39 - Appropriations shall not exceed estimated resources.	NO	Not Corrected.
2005-002	Ohio Revised Code Section 5705.41 (B) - Expenditures shall not exceed appropriations.	NO	Not Corrected.



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF RAYLAND**

**JEFFERSON 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 20, 2010**