

**Village of Roseville
Muskingum County
Regular Audit
For the Years Ended December 31, 2006 and 2005**



Mary Taylor, CPA
Auditor of State

Village Council
Village of Roseville
107 North Main Street
Roseville, OH 43777

We have reviewed the *Independent Auditors' Report* of the Village of Roseville, Muskingum County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2005 to December 31, 2006. 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 Roseville is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 19, 2007

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Muskingum County
For the Years Ended December 31, 2006 and 2005

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INDEPENDENT ACCOUNTANTS' REPORT

June 12, 2007

Village of Roseville
Muskingum County
107 North Main Street
Roseville, Ohio 43777

To the Village Council:

We have audited the accompanying financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Village of Roseville, Muskingum County, (the Village) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 2, the accompanying financial statements and notes, follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Village as of December 31, 2006 and 2005, and the respective changes in the cash financial position and the respective budgetary comparison for the General Fund, Street Construction Maintenance Repair Fund, Squad Operation and Maintenance Fund, Clean Ohio Assistance Fund, and the Income Tax Fund thereof for the years ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and December 31, 2005, the Village revised its financial statement presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2007, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

This discussion and analysis of the Village of Roseville, Muskingum County, Ohio (the Village) financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2006 and December 31, 2005 within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2006 are as follows:

- Net assets of governmental activities increased \$59,011, or 11.6 percent. Several major funds had fund balance increases as described below.
- Net assets of business-type activities increased \$25,374 or 5.72%. Sewer receipts increased in 2006.
- The Village has five major funds; the General Fund, the Street Construction Maintenance Repair Fund, the Clean Ohio Assistance Fund, the Squad Operation and Maintenance Fund and the Income Tax Fund. The General Fund had \$228,330 in revenues and \$266,127 in expenditures. The General Fund's balance increased \$2,675. The Street Construction Maintenance Repair Fund had \$67,227 in revenues and \$52,209 in expenditures. The Street Construction Maintenance Repair Fund's balance increased by \$22,018. The Clean Ohio Assistance Fund had \$61,285 in revenues and \$61,285 in expenditures. The Squad Operation and Maintenance Fund had \$32,950 in revenues and no expenditures. The Income Tax Fund had receipts of \$140,511 and disbursements of \$111,946 for a fund balance increase of \$28,565.
- The Water Operation, one of the Village's business-type activities, had a loss of \$6,358 for 2006. In 2006 Village Council increased water fees to recover some of this loss. The Village will see the effects on these increases more in 2007 as the increases were implemented late in 2006.
- The Sanitary Sewer, another business-type activity, had a gain of \$16,532 for 2006. The rates for this fund are mandated and calculated by the Ohio EPA.
- The Village operates and maintains a Regional Sewer plant that includes the Village of Crooksville. The Regional Sewer Fund receives monies from both Crooksville and Roseville to pay for the Regional Operations and Maintenance. This business-type fund slightly increased due to the Village transferring \$42,500 for the Village's portion of the expenditures.
- The Equipment Replacement Operation, a business-type activity, receives monies from both the Village of Crooksville and Roseville to replace equipment. In 2006 the Village expended \$19,156; this amount includes 50% of engineering cost for a sanitary sewer pump replacement project in the amount of \$16,000.
- The OWDA Debt Service Fund receives the exact amount of monies that are paid out for sewer debt payments.
- The USDA Rural Development Bond Fund had \$73,356 in revenues and \$70,425 in expenditures. The USDA Rural Development Bond Fund's balance increased by \$533.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the Governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each Governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each Governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating.

When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities. Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants, levies, tax income, and property taxes finance most of these activities. Benefits provided through Governmental activities are not necessarily paid for by the people receiving them.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Reporting the Village as a Whole (continued)

Business-type activities. Water and sewer services have charges based on the amounts of usage. The Village charges fees to recoup the cost of the entire operation of the water and sewer treatment plants, as well as all capital expenses associated with these facilities and equipment.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: Governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in Governmental funds. The Governmental fund financial statements provide a detailed view of the Village's Governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant Governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major Governmental funds are the General Fund, Street Construction, Maintenance, and Repair Fund, Clean Ohio Assistance Fund, Squad Operation and Maintenance Fund, and the Income Tax Fund. The programs reported in Governmental funds are closely related to those reported in the Governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the Governmental fund financial statements, if necessary.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has several enterprise funds; the major funds include Water Operation Fund, Sanitary Sewer Fund, Regional Sewer Fund, Equipment Replacement Fund, OWDA Debt Service Fund, the USDA Rural Development Bond Retirement Fund and the USDA Rural Development Bond Reserve Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the Government-wide financial statements because the resources of these funds are not available to support the Village's programs. The one fiduciary fund is the Mayor's Court Fund.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2006 compared to 2005 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Cash and Cash Equivalents	\$ 567,333	\$ 508,322	\$ 469,273	\$ 443,899	\$ 1,036,606	\$ 952,221
Total Assets	567,333	508,322	469,273	443,899	1,036,606	952,221
Net Assets						
Restricted for:					-	-
Debt Service	2,196	2,196	-	-	2,196	2,196
Other Purposes	513,893	457,557	-	-	513,893	457,557
Unrestricted	51,244	48,569	469,273	443,899	520,517	492,468
Total Net Assets	\$ 567,333	\$ 508,322	\$ 469,273	\$ 443,899	\$ 1,036,606	\$ 952,221

As mentioned previously, net assets of Governmental activities increased \$59,011 or 11.6% percent during 2006. There is not one single primary reason contributing to the increase in cash balances. However, the Village received an extra grant for the Volunteer Fire Department.

Net assets of business-type activities increased \$25,374 or 5.72%. Sewer receipts increased in 2006.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
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Table 2 reflects the changes in net assets in 2006 and 2005.

(Table 2)

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 147,896	\$ 168,021	\$ 642,494	\$ 576,029	\$ 790,390	\$ 744,050
Operating Grants and Contributions	87,432	94,247	-	-	87,432	94,247
Total Program Receipts	235,328	262,268	642,494	576,029	877,822	838,297
General Receipts:						
Property Taxes	82,392	81,916	-	-	82,392	81,916
Municipal Income Tax	122,845	127,898	-	-	122,845	127,898
Other Taxes	16,177	13,668	-	-	16,177	13,668
Grants and Entitlements Not Restricted to Specific Programs	107,652	106,572	-	-	107,652	106,572
Fines, Licenses and Permits	19,523	17,828	-	-	19,523	17,828
Interest	10,670	7,811	-	-	10,670	7,811
Note Proceeds	17,200	13,150	-	-	17,200	13,150
Miscellaneous	28,376	40,147	3,722	30,928	32,098	71,075
Total General Receipts	404,835	408,990	3,722	30,928	408,557	439,918
Total Receipts	640,163	671,258	646,216	606,957	1,286,379	1,278,215
Disbursements:						
General Government	198,692	149,423	-	-	198,692	149,423
Security of Persons and Property	232,104	176,483	-	-	232,104	176,483
Public Health Services	30,395	35,970	-	-	30,395	35,970
Leisure Time Activities	31,704	35,216	-	-	31,704	35,216
Transportation	47,514	40,445	-	-	47,514	40,445
Capital Outlay	17,200	94,614	-	-	17,200	94,614
Principal Retirement	14,756	39,167	-	-	14,756	39,167
Interest and Fiscal Charges	1,676	3,116	-	-	1,676	3,116
Other	1,226	17,172	-	-	1,226	17,172
Water	-	-	399,663	375,766	399,663	375,766
Sewer	-	-	227,064	220,850	227,064	220,850
Total Disbursements	575,267	591,606	626,727	596,616	1,201,994	1,188,222
Increase (Decrease) In Net Assets Before Transfers	64,896	79,652	19,489	10,341	84,385	89,993
Transfers In	46,059	32,477	50,783	-	96,842	32,477
Transfers Out	(51,944)	(32,477)	(44,898)	-	(96,842)	-
Advances In	15,355	-	-	-	15,355	-
Advances Out	(15,355)	-	-	-	(15,355)	-
Increase (Decrease) in Net Assets	59,011	79,652	25,374	10,341	84,385	122,470
Net Assets, January 1,	508,322	428,670	443,899	433,558	952,221	862,228
Net Assets, December 31,	\$ 567,333	\$ 508,322	\$ 469,273	\$ 443,899	\$ 1,036,606	\$ 952,221

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

Governmental Activities

Program receipts represent 36.7 percent for 2006 and 39.0 percent for 2005 of total receipts and are primarily comprised of restricted intergovernmental receipts such as Fire Contracts for fire and emergency medical services to nearby townships, EMS revenue, motor vehicle license and gas tax money, and the sale of grave lots and the opening/closing fees. General receipts represent 63.3 percent for 2006 and 61.0 percent for 2005 of the Village's total receipts, and of this amount, over 54 percent for 2006 and 2005 are local taxes. State and federal grants and entitlements make up the majority of the Village's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources. Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, the auditor, fiscal officer, as well as internal services such as payroll and purchasing. Security of Persons and Property are the costs of police and fire protection; Public Health Services is the Cemetery Department; Leisure Time Activities are the costs of maintaining the parks and pool; and Transportation is the cost of maintaining the roads.

Business-Type Activities

The Village's water and sewer operations account for the expenses for the Village's business-type activities and are funded almost entirely from charges for services. During 2006, program receipts exceeded program disbursements for total business-type activities.

The Water Operation Fund and Water Improvements Fund of the Village routinely reports receipts and cash disbursements that are relatively equal. Rates and Fees increased by council to keep the receipts up with the disbursements. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs and how these will be funded. The Village also received notification from the Ohio EPA of requirements needed for discharging water.

The sanitary sewer of the Village is in the process of a major equipment replacement. The Village has contracted and engineered the sanitary sewer pump replacement project and is now working on county, state, and federal grants to support the project cost. This fund routinely reports receipts that are slightly over cash disbursements for maintenance and unexpected expenditures.

The regional sewer of the Village is to operate and maintain the expenditures for parts of the sewer plant that incur costs that are split between Roseville and Crooksville. The Village reports receipts and cash disbursements that are relatively equal.

The Equipment Replacement Fund receives receipts from both Roseville and Crooksville for replacing equipment. Expenditures are sometimes lower or higher than receipts due to the timing of equipment replacement. The engineering costs for the sanitary sewer pump replacement project are being funded out of this fund; once the grant monies are acquired for this project monies will be reimbursed into this fund.

If you look at the Statement of Activities, you will see the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The next three columns of the Statement entitles Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipts (Disbursement) column compares the program receipts to the cost of the service. The "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2006 and 2005
Unaudited

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2006	2006	2005	2005
General Government	\$ 198,692	\$(196,343)	\$ 149,423	\$(147,074)
Security of Persons and Property	232,104	(152,068)	176,483	(47,818)
Public Health Services	30,395	31,060	35,970	(8,916)
Leisure Time Activities	31,704	(6,761)	35,216	301
Transportation	47,514	19,031	40,445	28,238
Capital Outlay	17,200	(17,200)	94,614	(94,614)
Principal Retirement	14,756	(14,756)	39,167	(39,167)
Interest and Fiscal Charges	1,676	(1,676)	3,116	(3,116)
Other	1,226	(1,226)	17,172	(17,172)
<i>Total</i>	<u>\$ 575,267</u>	<u>\$(339,939)</u>	<u>\$ 591,606</u>	<u>\$(329,338)</u>

The dependence upon tax and intergovernmental receipts is apparent as over 38 percent of Governmental activities are supported through these general receipts.

The Village's Funds

The Village's governmental funds are accounted for using the cash basis of accounting. In 2006, governmental funds had total revenues of \$640,163 and expenditures of \$575,267.

The fund balance of the General Fund increased \$2,675 as the result of a transfer from the FEMA fund; the FEMA fund had reimbursement monies that belonged to several accounts and were reimbursed to those fund including the General Fund. Otherwise the General Fund would have decreased in 2006 as the result of new personnel (EMS) being paid per emergency medical run they go on out of the General Fund. General Fund receipts were less than disbursements by \$20,597 for 2006 indicating that the General Fund is in a deficit spending situation. General Fund receipts were greater than disbursement for 2005. It was the recommendation and approval of mayor and council to pay personnel for EMS services to encourage them to go on more EMS runs and in turn generate more revenue for 2006. This proposal failed as significantly less runs was performed in 2006 than in 2005, therefore generating even less revenue than in 2005. Recommendation to mayor and council has been made to either generate more revenue to cover this cost or do away with paid EMS personnel. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property and income taxes remains stagnant.

The fund balance of the Street Construction, Maintenance, and Repair Special Revenue Fund increased \$22,018 from 2005. At December 31, 2006, the Fund's unreserved fund balance of \$77,725 represented 148 percent of current year expenditures.

All receipts of the Clean Ohio Assistance Fund are disbursed during the year.

The fund balance of the Squad Operation and Maintenance Fund increased \$32,950 in 2006. The Fund's unreserved net assets balance was \$176,525.

The fund balance of the Income Tax Fund increased \$28,565 in 2006. The Fund's unreserved net assets balance was \$74,662.

The net asset balance of the Water Operating Enterprise Fund decreased \$6,358 in 2006. The Fund's unrestricted net assets balance of \$26,941 represented 8.7 percent of 2006 expenditures.

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The net asset balance of the Sanitary Sewer Operating Enterprise Fund increased \$16,532 in 2006. The Fund's unrestricted net assets balance of \$94,629 represented 102.4 percent of 2006 expenditures.

The net asset balance of the Regional Sewer Operating Enterprise Fund increased \$8,888 in 2006. The Fund's unrestricted net assets balance of \$19,402 represented 22.2 percent of 2006 expenditures.

The net asset balance of the Equipment Replacement Enterprise Fund decreased \$6,524 in 2006. The Fund's unrestricted net assets balance of \$73,946 represented 386 percent of 2006 expenditures.

The net asset balance of the OWDA Debt Service Enterprise Fund did not change. The Fund's unrestricted net assets balance of \$60,076 represented 471 percent of 2006 expenditures.

The fund balance of the USDA Rural Development Bond Enterprise Fund increased \$533 in 2006.

The net asset balance of the USDA Rural Development Bond Reserve Enterprise Fund increased \$2,398 in 2006.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2006, the Village amended its General Fund budget a couple times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts for 2006.

Final disbursements were budgeted at \$297,316 in 2006 while actual disbursements were \$267,370. For 2006, the major difference is through security of persons and property the Village was without a police officer for a total of 3 months in 2006. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the increase in fund balance of \$2,675 for 2006.

Debt Administration

At December 31, 2006 the Village's outstanding debt amounts to \$1,986,576 in general obligation bonds issued and loans obtained for improvements to buildings and structures, and vehicles. For further information regarding the Village's debt, refer to Note 13.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2007; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan became effective for 2006. We reviewed our sources of revenue and determined that increases were unlikely. We then reviewed the disbursement history of the Village. We have reduced health insurance, reduced staffing levels in areas where we felt it would have the least impact on services. All departments have been asked to reduce their spending for supplies.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Heidi Milner, Fiscal Officer, Village of Roseville, 10 7 N. Main St., Roseville, Ohio 43777.

Village of Roseville
Muskingum County
Statement of Net Assets - Cash Basis
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 567,333	\$ 469,273	\$ 1,036,606
<i>Total Assets</i>	<u>567,333</u>	<u>469,273</u>	<u>1,036,606</u>
Net Assets			
Restricted for:			
Debt Service	2,196	-	2,196
Other Purposes	513,893	-	513,893
Unrestricted	<u>51,244</u>	<u>469,273</u>	<u>520,517</u>
<i>Total Net Assets</i>	<u>\$ 567,333</u>	<u>\$ 469,273</u>	<u>\$ 1,036,606</u>

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

Village of Roseville
Muskingum County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts			Net (Disbursements) and Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 198,692	\$ -	\$ 2,349	\$ (196,343)	\$ -	\$ (196,343)
Security of Persons and Property	232,104	80,036	-	(152,068)	-	(152,068)
Public Health Services	30,395	61,455	-	31,060	-	31,060
Leisure Time Activities	31,704	6,405	18,538	(6,761)	-	(6,761)
Transportation	47,514	-	66,545	19,031	-	19,031
Capital Outlay	17,200	-	-	(17,200)	-	(17,200)
Debt Service						
Principal	14,756	-	-	(14,756)	-	(14,756)
Interest	1,676	-	-	(1,676)	-	(1,676)
Other	1,226	-	-	(1,226)	-	(1,226)
<i>Total Governmental Activities</i>	<u>575,267</u>	<u>147,896</u>	<u>87,432</u>	<u>(339,939)</u>	<u>-</u>	<u>(339,939)</u>
Business-Type Activities						
Water	399,663	398,732	-	-	(931)	(931)
Sewer	227,064	243,762	-	-	16,698	16,698
<i>Total Business-Type Activities</i>	<u>626,727</u>	<u>642,494</u>	<u>-</u>	<u>-</u>	<u>15,767</u>	<u>15,767</u>
<i>Total</i>	<u>\$ 1,201,994</u>	<u>\$ 790,390</u>	<u>\$ 87,432</u>	<u>\$ (339,939)</u>	<u>\$ 15,767</u>	<u>\$ (324,172)</u>
General Receipts						
Property Taxes				82,392	-	82,392
Municipal Income Taxes				122,845	-	122,845
Other Taxes				16,177	-	16,177
Grants and Entitlements not Restricted to Specific Programs				107,652	-	107,652
Fines, Licenses and Permits				19,523	-	19,523
Interest				10,670	-	10,670
Note Proceeds				17,200	-	17,200
Miscellaneous				28,376	3,722	32,098
<i>Total General Receipts</i>				<u>404,835</u>	<u>3,722</u>	<u>408,557</u>
Transfers In				46,059	50,783	96,842
Transfers Out				(51,944)	(44,898)	(96,842)
Advances In				15,355	-	15,355
Advances Out				(15,355)	-	(15,355)
<i>Total General Receipts, Transfers and Advances</i>				<u>398,950</u>	<u>9,607</u>	<u>408,557</u>
Change in Net Assets				59,011	25,374	84,385
<i>Net Assets Beginning of Year</i>				<u>508,322</u>	<u>443,899</u>	<u>952,221</u>
<i>Net Assets End of Year</i>				<u>\$ 567,333</u>	<u>\$ 469,273</u>	<u>\$ 1,036,606</u>

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

Village of Roseville
Muskingum County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Street Construction, Maintenance, and Repair Fund	Clean Ohio Assistance Fund	Squad Operation and Maintenance Fund	Income Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 51,244	\$ 77,907	\$ -	\$ 176,525	\$ 74,662	\$ 186,995	\$ 567,333
<i>Total Assets</i>	<u>51,244</u>	<u>77,907</u>	<u>-</u>	<u>176,525</u>	<u>74,662</u>	<u>186,995</u>	<u>567,333</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	1,243	182	-	-	199	33	1,657
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	50,001	-	-	-	-	-	50,001
Special Revenue Funds	-	77,725	-	176,525	74,463	184,766	513,479
Debt Service Fund	-	-	-	-	-	2,196	2,196
<i>Total Fund Balances</i>	<u>\$ 51,244</u>	<u>\$ 77,907</u>	<u>\$ -</u>	<u>\$ 176,525</u>	<u>\$ 74,662</u>	<u>\$ 186,995</u>	<u>\$ 567,333</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Street Construction, Maintenance, and Repair Fund	Clean Ohio Assistance Fund	Squad Operation and Maintenance Fund	Income Tax Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Taxes	\$ 61,622	\$ -	\$ -	\$ -	\$ -	\$ 36,947	\$ 98,569
Municipal Income Taxes	-	-	-	-	122,845	-	122,845
Intergovernmental	52,811	66,545	61,285	-	-	14,443	195,084
Charges for Services	78,724	-	-	32,950	-	36,697	148,371
Fines, Licenses and Permits	18,985	-	-	-	-	538	19,523
Interest	9,740	682	-	-	-	248	10,670
Other	6,448	-	-	-	1,853	19,600	27,901
<i>Total Receipts</i>	<u>228,330</u>	<u>67,227</u>	<u>61,285</u>	<u>32,950</u>	<u>124,698</u>	<u>108,473</u>	<u>622,963</u>
Disbursements							
Current:							
General Government	62,547	-	61,285	-	74,860	-	198,692
Security of Persons and Property	179,480	-	-	-	13,500	39,124	232,104
Public Health Services	-	-	-	-	-	30,395	30,395
Leisure Time Activities	-	-	-	-	-	31,704	31,704
Transportation	-	47,514	-	-	-	-	47,514
Capital Outlay	17,200	-	-	-	-	-	17,200
Debt Service:							
Principal Retirement	6,393	4,247	-	-	-	4,116	14,756
Interest and Fiscal Charges	507	448	-	-	-	721	1,676
<i>Total Disbursements</i>	<u>266,127</u>	<u>52,209</u>	<u>61,285</u>	<u>-</u>	<u>88,360</u>	<u>106,060</u>	<u>574,041</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(37,797)</u>	<u>15,018</u>	<u>-</u>	<u>32,950</u>	<u>36,338</u>	<u>2,413</u>	<u>48,922</u>
Other Financing Sources (Uses)							
Note Proceeds	17,200	-	-	-	-	-	17,200
Transfers In	28,836	7,000	-	-	458	9,765	46,059
Transfers Out	(4,726)	-	-	-	(23,586)	(23,632)	(51,944)
Advances In	-	-	-	-	15,355	-	15,355
Advances Out	-	-	-	-	-	(15,355)	(15,355)
Other Financing Uses	(838)	-	-	-	-	(388)	(1,226)
<i>Total Other Financing Sources (Uses)</i>	<u>40,472</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>(7,773)</u>	<u>(29,610)</u>	<u>10,089</u>
<i>Net Change in Fund Balances</i>	<u>2,675</u>	<u>22,018</u>	<u>-</u>	<u>32,950</u>	<u>28,565</u>	<u>(27,197)</u>	<u>59,011</u>
<i>Fund Balances Beginning of Year</i>	<u>48,569</u>	<u>55,889</u>	<u>-</u>	<u>143,575</u>	<u>46,097</u>	<u>214,192</u>	<u>508,322</u>
<i>Fund Balances End of Year</i>	<u>\$ 51,244</u>	<u>\$ 77,907</u>	<u>\$ -</u>	<u>\$ 176,525</u>	<u>\$ 74,662</u>	<u>\$ 186,995</u>	<u>\$ 567,333</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 57,000	\$ 57,000	\$ 61,622	\$ 4,622
Intergovernmental	58,250	58,250	52,811	(5,439)
Charges for Services	81,000	91,000	78,724	(12,276)
Fines, Licenses and Permits	16,750	17,000	18,985	1,985
Interest	6,250	6,250	9,740	3,490
Other	1,445	1,722	6,448	4,726
<i>Total receipts</i>	<u>220,695</u>	<u>231,222</u>	<u>228,330</u>	<u>(2,892)</u>
Disbursements				
Current:				
General Government	62,529	66,004	62,562	3,442
Security of Persons and Property	162,418	206,429	180,708	25,721
Capital Outlay	-	17,200	17,200	-
Debt Service:				
Principal Payments	-	-	6,393	(6,393)
Interest and Fiscal Charges	-	7,683	507	7,176
<i>Total Disbursements</i>	<u>224,947</u>	<u>297,316</u>	<u>267,370</u>	<u>29,946</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,252)</u>	<u>(66,094)</u>	<u>(39,040)</u>	<u>27,054</u>
Other Financing Sources (Uses)				
Note Proceeds	-	17,200	17,200	-
Transfers In	5,500	35,000	28,836	(6,164)
Transfers Out	-	(3,869)	(3,869)	-
Other Financing Uses	(2,000)	(1,000)	(838)	162
<i>Total Other Financing Sources (Uses)</i>	<u>3,500</u>	<u>47,331</u>	<u>41,329</u>	<u>(6,002)</u>
<i>Net Change in Fund Balance</i>	(752)	(18,763)	2,289	21,052
<i>Fund Balance Beginning of Year</i>	47,437	47,437	47,437	-
<i>Prior Year Encumbrances Appropriated</i>	1,132	1,132	1,132	-
<i>Fund Balance End of Year</i>	<u>\$ 47,817</u>	<u>\$ 29,806</u>	<u>\$ 50,858</u>	<u>\$ 21,052</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 57,500	\$ 57,500	\$ 66,545	\$ 9,045
Interest	450	450	682	232
<i>Total receipts</i>	<u>57,950</u>	<u>57,950</u>	<u>67,227</u>	<u>9,277</u>
Disbursements				
Current:				
Transportation	48,434	67,731	47,696	20,035
Debt Service:				
Principal Payments	-	-	4,247	(4,247)
Interest and Fiscal Charges	3,983	4,696	448	4,248
<i>Total Disbursements</i>	<u>52,417</u>	<u>72,427</u>	<u>52,391</u>	<u>20,036</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,533</u>	<u>(14,477)</u>	<u>14,836</u>	<u>29,313</u>
Other Financing Sources (Uses)				
Transfers In	-	6,000	7,000	1,000
Other Financing Uses	(500)	(500)	-	500
<i>Total Other Financing Sources (Uses)</i>	<u>(500)</u>	<u>5,500</u>	<u>7,000</u>	<u>1,500</u>
<i>Net Change in Fund Balance</i>	5,033	(8,977)	21,836	30,813
<i>Fund Balance Beginning of Year</i>	55,605	55,605	55,605	-
<i>Prior Year Encumbrances Appropriated</i>	284	284	284	-
<i>Fund Balance End of Year</i>	<u>\$ 60,922</u>	<u>\$ 46,912</u>	<u>\$ 77,725</u>	<u>\$ 30,813</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Clean Ohio Assistance Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 270,583	\$ 270,583	\$ 61,285	\$ (209,298)
<i>Total receipts</i>	<u>270,583</u>	<u>270,583</u>	<u>61,285</u>	<u>(209,298)</u>
Disbursements				
Current:				
General Government	<u>270,583</u>	<u>270,583</u>	<u>61,285</u>	<u>209,298</u>
<i>Total Disbursements</i>	<u>270,583</u>	<u>270,583</u>	<u>61,285</u>	<u>209,298</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	-	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-	-
<i>Prior Year Encumbrances Appropriated</i>	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Squad Operation and Maintenance Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 32,950	\$ (2,050)
<i>Total receipts</i>	<u>35,000</u>	<u>35,000</u>	<u>32,950</u>	<u>(2,050)</u>
Disbursements				
Capital Outlay	143,575	143,575	-	143,575
<i>Total Disbursements</i>	<u>143,575</u>	<u>143,575</u>	<u>-</u>	<u>143,575</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(108,575)</u>	<u>(108,575)</u>	<u>32,950</u>	<u>141,525</u>
<i>Net Change in Fund Balance</i>	(108,575)	(108,575)	32,950	141,525
<i>Fund Balance Beginning of Year</i>	143,575	143,575	143,575	-
<i>Fund Balance End of Year</i>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 176,525</u>	<u>\$ 141,525</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Municipal Income Taxes	\$ 128,000	\$ 128,000	\$ 122,845	\$ (5,155)
Miscellaneous	-	1,000	1,853	853
<i>Total receipts</i>	<u>128,000</u>	<u>129,000</u>	<u>124,698</u>	<u>(4,302)</u>
Disbursements				
General Government	85,283	85,283	75,059	10,224
Security of Persons and Property	13,500	13,500	13,500	-
<i>Total Disbursements</i>	<u>98,783</u>	<u>98,783</u>	<u>88,559</u>	<u>10,224</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>29,217</u>	<u>30,217</u>	<u>36,139</u>	<u>5,922</u>
Other Financing Sources (Uses)				
Transfers In	-	458	458	-
Transfers Out	-	(31,000)	(23,586)	7,414
Advances In	-	15,355	15,355	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(15,187)</u>	<u>(7,773)</u>	<u>7,414</u>
<i>Net Change in Fund Balance</i>	29,217	15,030	28,366	13,336
<i>Fund Balance Beginning of Year</i>	44,564	44,564	44,564	-
<i>Prior Year Encumbrances Appropriated</i>	1,533	1,533	1,533	-
<i>Fund Balance End of Year</i>	<u>\$ 75,314</u>	<u>\$ 61,127</u>	<u>\$ 74,463</u>	<u>\$ 13,336</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2006

	<u>Water Operating</u>	<u>Sanitary Sewer Operating</u>	<u>Regional Sewer Operating</u>	<u>Equipment Replacement</u>	<u>OWDA Debt Service</u>	<u>USDA Rural Dev Bond Retirement</u>	<u>USDA Rural Dev Bond Reserve</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 26,941	\$ 94,629	\$ 19,402	\$ 73,946	\$ 60,076	\$ 23,515	\$ 70,000	\$100,764	\$469,273
<i>Total Assets</i>	<u>26,941</u>	<u>94,629</u>	<u>19,402</u>	<u>73,946</u>	<u>60,076</u>	<u>23,515</u>	<u>70,000</u>	<u>100,764</u>	<u>469,273</u>
Fund Balances									
Unrestricted	26,941	94,629	19,402	73,946	60,076	23,515	70,000	100,764	469,273
<i>Total Fund Balances</i>	<u>\$ 26,941</u>	<u>\$ 94,629</u>	<u>\$ 19,402</u>	<u>\$ 73,946</u>	<u>\$ 60,076</u>	<u>\$ 23,515</u>	<u>\$ 70,000</u>	<u>\$100,764</u>	<u>\$469,273</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2006

	Water Operating	Sanitary Sewer Operating	Regional Sewer Operating	Equipment Replacement	OWDA Debt Service	USDA Rural Dev Bond Retirement	USDA Rural Dev Bond Reserve	Other Enterprise Funds	Total Enterprise Funds
Operating Receipts									
Charges for Services	\$ 299,600	\$ 146,364	\$ 53,654	\$ 12,632	\$ 12,741	\$ -	\$ -	\$ 44,147	\$ 569,138
Other Operating Receipts	139	3,583	-	-	-	73,356	-	-	77,078
<i>Total Operating Receipts</i>	<u>299,739</u>	<u>149,947</u>	<u>53,654</u>	<u>12,632</u>	<u>12,741</u>	<u>73,356</u>	<u>-</u>	<u>44,147</u>	<u>646,216</u>
Operating Disbursements									
Personal Services	101,445	38,656	38,666	-	-	-	-	2,680	181,447
Employee Fringe Benefits	49,623	23,500	11,071	-	-	-	-	2,986	87,180
Contractual Services	22,362	11,138	21,992	-	-	-	-	-	55,492
Supplies and Materials	47,944	18,612	15,037	19,156	-	-	-	1,944	102,693
Other	-	-	-	-	-	-	-	4,700	4,700
<i>Total Operating Disbursements</i>	<u>221,374</u>	<u>91,906</u>	<u>86,766</u>	<u>19,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,310</u>	<u>431,512</u>
<i>Operating Income (Loss)</i>	<u>78,365</u>	<u>58,041</u>	<u>(33,112)</u>	<u>(6,524)</u>	<u>12,741</u>	<u>73,356</u>	<u>-</u>	<u>31,837</u>	<u>214,704</u>
Non Operating Receipts (Disbursements)									
Capital Outlay	-	-	-	-	-	-	-	(13,863)	(13,863)
Principal Payments	(31,913)	-	-	-	(9,746)	(23,000)	-	(9,358)	(74,017)
Interest and Fiscal Charges	(53,488)	-	-	-	(2,995)	(47,425)	-	(2,464)	(106,372)
Other Financing Uses	-	(463)	(500)	-	-	-	-	-	(963)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(85,401)</u>	<u>(463)</u>	<u>(500)</u>	<u>-</u>	<u>(12,741)</u>	<u>(70,425)</u>	<u>-</u>	<u>(25,685)</u>	<u>(195,215)</u>
<i>Income (Loss) before Transfers</i>	<u>(7,036)</u>	<u>57,578</u>	<u>(33,612)</u>	<u>(6,524)</u>	<u>-</u>	<u>2,931</u>	<u>-</u>	<u>6,152</u>	<u>19,489</u>
Transfers In	678	1,454	42,500	-	-	-	2,398	3,753	50,783
Transfers Out	-	(42,500)	-	-	-	(2,398)	-	-	(44,898)
<i>Change in Net Assets</i>	<u>(6,358)</u>	<u>16,532</u>	<u>8,888</u>	<u>(6,524)</u>	<u>-</u>	<u>533</u>	<u>2,398</u>	<u>9,905</u>	<u>25,374</u>
<i>Net Assets Beginning of Year</i>	<u>33,299</u>	<u>78,097</u>	<u>10,514</u>	<u>80,470</u>	<u>60,076</u>	<u>22,982</u>	<u>67,602</u>	<u>90,859</u>	<u>443,899</u>
<i>Net Assets End of Year</i>	<u>\$ 26,941</u>	<u>\$ 94,629</u>	<u>\$ 19,402</u>	<u>\$ 73,946</u>	<u>\$ 60,076</u>	<u>\$ 23,515</u>	<u>\$ 70,000</u>	<u>\$ 100,764</u>	<u>\$ 469,273</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Fiduciary Fund
December 31, 2006

	Agency
	Mayor's Court
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ -
<i>Total Assets</i>	-
Fund Balances	
Restricted for:	
Other Purposes	-
<i>Total Fund Balances</i>	\$ -

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

Village of Roseville
Muskingum County
Statement of Net Assets - Cash Basis
December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 508,322	\$ 443,899	\$ 952,221
<i>Total Assets</i>	<u>508,322</u>	<u>443,899</u>	<u>952,221</u>
Net Assets			
Restricted for:			
Debt Service	2,196	-	2,196
Other Purposes	457,557	-	457,557
Unrestricted	<u>48,569</u>	<u>443,899</u>	<u>492,468</u>
<i>Total Net Assets</i>	<u>\$ 508,322</u>	<u>\$ 443,899</u>	<u>\$ 952,221</u>

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

Village of Roseville
Muskingum County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2005

	Program Cash Receipts			Net (Disbursements) and Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 149,423	\$ -	\$ 2,349	\$ (147,074)	\$ -	\$ (147,074)
Security of Persons and Property	176,483	128,665	-	(47,818)	-	(47,818)
Public Health Services	35,970	27,054	-	(8,916)	-	(8,916)
Leisure Time Activities	35,216	12,302	23,215	301	-	301
Transportation	40,445	-	68,683	28,238	-	28,238
Capital Outlay	94,614	-	-	(94,614)	-	(94,614)
Debt Service						
Principal	39,167	-	-	(39,167)	-	(39,167)
Interest	3,116	-	-	(3,116)	-	(3,116)
Other	17,172	-	-	(17,172)	-	(17,172)
<i>Total Governmental Activities</i>	<u>591,606</u>	<u>168,021</u>	<u>94,247</u>	<u>(329,338)</u>	<u>-</u>	<u>(329,338)</u>
Business-Type Activities						
Water	375,766	376,427	-	-	661	661
Sewer	220,850	199,602	-	-	(21,248)	(21,248)
<i>Total Business-Type Activities</i>	<u>596,616</u>	<u>576,029</u>	<u>-</u>	<u>-</u>	<u>(20,587)</u>	<u>(20,587)</u>
Total	<u>\$ 1,188,222</u>	<u>\$ 744,050</u>	<u>\$ 94,247</u>	<u>\$ (329,338)</u>	<u>\$ (20,587)</u>	<u>\$ (349,925)</u>
General Receipts						
Property Taxes				81,916	-	81,916
Municipal Income Taxes				127,898	-	127,898
Other Taxes				13,668	-	13,668
Grants and Entitlements not Restricted to Specific Programs				106,572	-	106,572
Fines, Licenses and Permits				17,828	-	17,828
Interest				7,811	-	7,811
Note Proceeds				13,150	-	13,150
Miscellaneous				40,147	30,928	71,075
<i>Total General Receipts</i>				<u>408,990</u>	<u>30,928</u>	<u>439,918</u>
Transfers In				32,477	-	32,477
Transfers Out				(32,477)	-	(32,477)
<i>Total General Receipts and Transfers</i>				<u>408,990</u>	<u>30,928</u>	<u>472,395</u>
Change in Net Assets				79,652	10,341	122,470
<i>Net Assets Beginning of Year</i>				<u>428,670</u>	<u>433,558</u>	<u>862,228</u>
<i>Net Assets End of Year</i>				<u>\$ 508,322</u>	<u>\$ 443,899</u>	<u>\$ 984,698</u>

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

Village of Roseville
Muskingum County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Street Construction, Maintenance, and Repair Fund	Squad Operation and Maintenance Fund	Income Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 48,569	\$ 55,889	\$ 143,575	\$ 46,097	\$ 214,192	\$ 508,322
<i>Total Assets</i>	<u>48,569</u>	<u>55,889</u>	<u>143,575</u>	<u>46,097</u>	<u>214,192</u>	<u>508,322</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	1,132	284	-	1,533	890	3,839
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	47,437	-	-	-	-	47,437
Special Revenue Funds	-	55,605	143,575	44,564	211,106	454,850
Debt Service Fund	-	-	-	-	2,196	2,196
<i>Total Fund Balances</i>	<u>\$ 48,569</u>	<u>\$ 55,889</u>	<u>\$ 143,575</u>	<u>\$ 46,097</u>	<u>\$ 214,192</u>	<u>\$ 508,322</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Street Construction, Maintenance, and Repair Fund	Squad Operation and Maintenance Fund	Income Tax Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Taxes	\$ 57,994	\$ -	\$ -	\$ -	\$ 37,590	\$ 95,584
Municipal Income Taxes	-	-	-	127,898	-	127,898
Intergovernmental	59,862	68,683	-	-	72,274	200,819
Charges for Services	82,292	-	46,373	-	39,356	168,021
Fines, Licenses and Permits	17,828	-	-	-	-	17,828
Interest	7,046	513	-	-	252	7,811
Other	2,487	-	-	1,209	36,451	40,147
<i>Total Receipts</i>	<u>227,509</u>	<u>69,196</u>	<u>46,373</u>	<u>129,107</u>	<u>185,923</u>	<u>658,108</u>
Disbursements						
Current:						
General Government	49,508	-	-	86,873	13,042	149,423
Security of Persons and Property	156,707	-	-	13,175	6,601	176,483
Public Health Services	-	-	-	-	35,970	35,970
Leisure Time Activities	-	-	-	-	35,216	35,216
Transportation	-	40,445	-	-	-	40,445
Capital Outlay	-	13,150	10,000	-	71,464	94,614
Debt Service:						
Principal Retirement	-	1,392	-	-	37,775	39,167
Interest and Fiscal Charges	-	173	-	-	2,943	3,116
<i>Total Disbursements</i>	<u>206,215</u>	<u>55,160</u>	<u>10,000</u>	<u>100,048</u>	<u>203,011</u>	<u>574,434</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>21,294</u>	<u>14,036</u>	<u>36,373</u>	<u>29,059</u>	<u>(17,088)</u>	<u>83,674</u>
Other Financing Sources (Uses)						
Note Proceeds	-	13,150	-	-	-	13,150
Transfers In	5,500	2,000	-	-	24,977	32,477
Transfers Out	-	-	-	(32,477)	-	(32,477)
Other Financing Uses	(1,330)	(93)	-	-	(15,749)	(17,172)
Total Other Financing Sources (Uses)	<u>4,170</u>	<u>15,057</u>	<u>-</u>	<u>(32,477)</u>	<u>9,228</u>	<u>(4,022)</u>
Net Change in Fund Balances	25,464	29,093	36,373	(3,418)	(7,860)	79,652
<i>Fund Balances Beginning of Year</i>	<u>23,105</u>	<u>26,796</u>	<u>107,202</u>	<u>49,515</u>	<u>222,052</u>	<u>428,670</u>
<i>Fund Balances End of Year</i>	<u>\$ 48,569</u>	<u>\$ 55,889</u>	<u>\$ 143,575</u>	<u>\$ 46,097</u>	<u>\$ 214,192</u>	<u>\$ 508,322</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$ 54,500	\$ 54,500	\$ 57,994	\$ 3,494
Intergovernmental	51,775	51,775	59,862	8,087
Charges for Services	60,000	60,000	82,292	22,292
Fines, Licenses and Permits	14,240	14,240	17,828	3,588
Interest	9,000	9,000	7,046	(1,954)
Other	1,830	1,830	2,487	657
<i>Total receipts</i>	<u>191,345</u>	<u>191,345</u>	<u>227,509</u>	<u>36,164</u>
Disbursements				
Current:				
General Government	61,685	59,161	49,508	9,653
Security of Persons and Property	149,050	172,181	156,707	15,474
Basic Utility Services	500	-	-	-
<i>Total Disbursements</i>	<u>211,235</u>	<u>231,342</u>	<u>206,215</u>	<u>25,127</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(19,890)</u>	<u>(39,997)</u>	<u>21,294</u>	<u>61,291</u>
Other Financing Sources (Uses)				
Transfers In	-	-	5,500	5,500
Other Financing Uses	(2,000)	(1,388)	(1,330)	58
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>(1,388)</u>	<u>4,170</u>	<u>5,558</u>
<i>Net Change in Fund Balance</i>	(21,890)	(41,385)	25,464	66,849
<i>Fund Balance Beginning of Year</i>	23,105	23,105	23,105	-
<i>Fund Balance End of Year</i>	<u>\$ 1,215</u>	<u>\$ (18,280)</u>	<u>\$ 48,569</u>	<u>\$ 66,849</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$ 54,500	\$ 54,500	\$ 68,683	\$ 14,183
Interest	250	250	513	263
<i>Total receipts</i>	<u>54,750</u>	<u>54,750</u>	<u>69,196</u>	<u>14,446</u>
Disbursements				
Current:				
Transportation	58,950	62,559	40,445	22,114
Capital Outlay	-	-	13,150	(13,150)
Debt Service:				
Principal Payments	-	-	1,392	(1,392)
Interest and Fiscal Charges	-	1,565	173	1,392
<i>Total Disbursements</i>	<u>58,950</u>	<u>64,124</u>	<u>55,160</u>	<u>8,964</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,200)</u>	<u>(9,374)</u>	<u>14,036</u>	<u>23,410</u>
Other Financing Sources (Uses)				
Note Proceeds	-	-	13,150	13,150
Transfers In	-	-	2,000	2,000
Other Financing Uses	(2,000)	(512)	(93)	419
Total Other Financing Sources (Uses)	<u>(2,000)</u>	<u>(512)</u>	<u>15,057</u>	<u>15,569</u>
<i>Net Change in Fund Balance</i>	(6,200)	(9,886)	29,093	38,979
<i>Fund Balance Beginning of Year</i>	26,796	26,796	26,796	-
<i>Fund Balance End of Year</i>	<u>\$ 20,596</u>	<u>\$ 16,910</u>	<u>\$ 55,889</u>	<u>\$ 38,979</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Squad Operation and Maintenance Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Charges for Services	\$ 35,000	\$ 35,000	\$ 46,373	\$ 11,373
<i>Total receipts</i>	<u>35,000</u>	<u>35,000</u>	<u>46,373</u>	<u>11,373</u>
Disbursements				
Capital Outlay	-	111,550	10,000	101,550
<i>Total Disbursements</i>	<u>-</u>	<u>111,550</u>	<u>10,000</u>	<u>101,550</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,000</u>	<u>(76,550)</u>	<u>36,373</u>	<u>112,923</u>
<i>Net Change in Fund Balance</i>	35,000	(76,550)	36,373	112,923
<i>Fund Balance Beginning of Year</i>	107,202	107,202	107,202	-
<i>Prior Year Encumbrances Appropriated</i>	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 142,202</u>	<u>\$ 30,652</u>	<u>\$ 143,575</u>	<u>\$ 112,923</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			(Optional)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Receipts				
Municipal Income Taxes	\$ 130,000	\$ 130,000	\$ 127,898	\$ (2,102)
Miscellaneous	1,500	1,500	1,209	(291)
<i>Total receipts</i>	<u>131,500</u>	<u>131,500</u>	<u>129,107</u>	<u>(2,393)</u>
Disbursements				
General Government	116,000	120,500	88,406	32,094
Security of Persons and Property	14,000	14,000	13,175	825
<i>Total Disbursements</i>	<u>130,000</u>	<u>134,500</u>	<u>101,581</u>	<u>32,919</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,500</u>	<u>(3,000)</u>	<u>27,526</u>	<u>30,526</u>
Other Financing Sources (Uses)				
Transfers Out	(45,000)	(40,000)	(32,477)	7,523
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>(40,000)</u>	<u>(32,477)</u>	<u>7,523</u>
<i>Net Change in Fund Balance</i>	(43,500)	(43,000)	(4,951)	38,049
<i>Fund Balance Beginning of Year</i>	49,515	49,515	49,515	-
<i>Fund Balance End of Year</i>	<u>\$ 6,015</u>	<u>\$ 6,515</u>	<u>\$ 44,564</u>	<u>\$ 38,049</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2005

	<u>Water Operating</u>	<u>Sanitary Sewer Operating</u>	<u>Regional Sewer Operating</u>	<u>Equipment Replacement</u>	<u>OWDA Debt Service</u>	<u>USDA Rural Dev Bond Retirement</u>	<u>USDA Rural Dev Bond Reserve</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 33,299	\$ 78,097	\$ 10,514	\$ 80,470	\$ 60,076	\$ 22,982	\$ 67,602	\$ 90,859	\$ 443,899
<i>Total Assets</i>	<u>33,299</u>	<u>78,097</u>	<u>10,514</u>	<u>80,470</u>	<u>60,076</u>	<u>22,982</u>	<u>67,602</u>	<u>90,859</u>	<u>443,899</u>
Fund Balances									
Unrestricted	33,299	78,097	10,514	80,470	60,076	22,982	67,602	90,859	443,899
<i>Total Fund Balances</i>	<u>\$ 33,299</u>	<u>\$ 78,097</u>	<u>\$ 10,514</u>	<u>\$ 80,470</u>	<u>\$ 60,076</u>	<u>\$ 22,982</u>	<u>\$ 67,602</u>	<u>\$ 90,859</u>	<u>\$ 443,899</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2005

	Water Operating	Sanitary Sewer Operating	Regional Sewer Operating	Equipment Replacement	OWDA Debt Service	USDA Rural Dev Bond Retirement	USDA Rural Dev Bond Reserve	Other Enterprise Funds	Total Enterprise Funds
Operating Receipts									
Charges for Services	\$ 281,102	\$ 136,279	\$ 43,034	\$ 12,365	\$ -	\$ -	\$ -	\$ 32,752	\$ 505,532
Other Operating Receipts	-	-	-	-	-	70,497	-	100	70,597
<i>Total Operating Receipts</i>	<u>281,102</u>	<u>136,279</u>	<u>43,034</u>	<u>12,365</u>	<u>-</u>	<u>70,497</u>	<u>-</u>	<u>32,852</u>	<u>576,129</u>
Operating Disbursements									
Personal Services	90,281	45,259	37,135	-	-	-	-	3,422	176,097
Employee Fringe Benefits	44,072	20,006	13,217	-	-	-	-	3,586	80,881
Contractual Services	21,030	12,073	19,471	-	-	143	-	-	52,717
Supplies and Materials	43,318	23,637	10,403	5,779	-	-	-	630	83,767
Other	-	-	-	-	-	-	-	5,331	5,331
<i>Total Operating Disbursements</i>	<u>198,701</u>	<u>100,975</u>	<u>80,226</u>	<u>5,779</u>	<u>-</u>	<u>143</u>	<u>-</u>	<u>12,969</u>	<u>398,793</u>
<i>Operating Income (Loss)</i>	<u>82,401</u>	<u>35,304</u>	<u>(37,192)</u>	<u>6,586</u>	<u>-</u>	<u>70,354</u>	<u>-</u>	<u>19,883</u>	<u>177,336</u>
Non Operating Receipts (Disbursements)									
Intergovernmental	-	-	-	-	21,691	-	-	9,137	30,828
Capital Outlay	-	-	-	-	-	(22,000)	-	(10,058)	(32,058)
Principal Payments	(29,949)	-	-	-	(14,225)	(48,515)	-	(8,950)	(101,639)
Interest and Fiscal Charges	(55,452)	-	-	-	(4,887)	-	-	(2,769)	(63,108)
Other Financing Uses	(78)	(470)	(470)	-	-	-	-	-	(1,018)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(85,479)</u>	<u>(470)</u>	<u>(470)</u>	<u>-</u>	<u>2,579</u>	<u>(70,515)</u>	<u>-</u>	<u>(12,640)</u>	<u>(166,995)</u>
<i>Income (Loss) before Transfers</i>	<u>(3,078)</u>	<u>34,834</u>	<u>(37,662)</u>	<u>6,586</u>	<u>2,579</u>	<u>(161)</u>	<u>-</u>	<u>7,243</u>	<u>10,341</u>
Transfers In	-	-	42,500	-	-	-	-	-	42,500
Transfers Out	-	(42,500)	-	-	-	-	-	-	(42,500)
<i>Change in Net Assets</i>	<u>(3,078)</u>	<u>(7,666)</u>	<u>4,838</u>	<u>6,586</u>	<u>2,579</u>	<u>(161)</u>	<u>-</u>	<u>7,243</u>	<u>10,341</u>
<i>Net Assets Beginning of Year</i>	<u>36,377</u>	<u>85,763</u>	<u>5,676</u>	<u>73,884</u>	<u>57,497</u>	<u>23,143</u>	<u>67,602</u>	<u>83,616</u>	<u>433,558</u>
<i>Net Assets End of Year</i>	<u>\$ 33,299</u>	<u>\$ 78,097</u>	<u>\$ 10,514</u>	<u>\$ 80,470</u>	<u>\$ 60,076</u>	<u>\$ 22,982</u>	<u>\$ 67,602</u>	<u>\$ 90,859</u>	<u>\$ 443,899</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Fiduciary Fund
December 31, 2005

	Agency
	Mayor's Court
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 849
<i>Total Assets</i>	849
Fund Balances	
Restricted for:	
Other Purposes	849
<i>Total Fund Balances</i>	\$ 849

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

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

1. DESCRIPTION OF THE VILLAGE AND THE REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Roseville, Muskingum County, (the Village) as a body corporate and politic. A publicly-elected six member Council govern the Village. The Village provides water and sewer utilities, park operations, and police services. The Village appropriates money to support a volunteer fire department.

Reporting Entity

The financial reporting entity consists of the primary government, component units, and other governmental organizations that are included to ensure that the financial statements are not misleading. The primary government of the Village consists of all funds, departments, boards, and agencies that are not legally separate from the Village. For the Village of Roseville, this includes the departments that provide various services including police protection, recreation (including parks), planning and zoning, street maintenance and repair, water and water pollution control, and general administrative services. These activities are directly controlled by the Council through the budgetary process, administrative and managerial requirements and procedures.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent upon the Village in that the Village approves the budget, the issuance of debt, or the levying of taxes for the organization. No separate government units meet the criteria for inclusion as a component unit.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). General accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities or its enterprise funds. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities that are governmental and those that are considered business-type.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the fund's principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds utilized by the Village: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. The following are the Village's major governmental funds:

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

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

Clean Ohio Assistance Fund This fund receives state grant money for the clean up of the former Brush and Ungemach Pottery Sites.

Squad Operation and Maintenance Fund This fund receives monies from charges for services related to emergency medical services to offset the costs of equipment for emergency medical protection.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Fund This fund receives income taxes.

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. The Village's proprietary funds are all classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds.

Water Operating Fund This fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the Village.

Sanitary Sewer Fund This fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the Village.

Regional Sewer Fund This fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the regional sewer district.

Equipment Replacement Fund This fund receives money from charges for services for Roseville consumers with regards to Sanitary Sewer and charges to the Village of Crooksville for Regional Sewer.

OWDA Debt Service Fund This fund receives money from charges for services for Roseville consumers and charges to the Village of Crooksville.

USDA Rural Development Bond Retirement Fund This fund receives money from charges for services related to sewer debt.

USDA Rural Development Bond Reserve Fund This fund receives money from charges for service for Roseville consumers and charges to the Village of Crooksville. The necessary balance is determined by the bond agreement.

Fiduciary Fund Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant agency fund:

Mayor's Court This fund receives and distributes Mayor's Court fines and forfeitures.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. 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 fund, function or object level of control and appropriations may not exceed estimated resources. Village council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are rolled over into the subsequent year.

E. Cash and Investments

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

Money market mutual funds are recorded at share values the mutual fund reports.

Interest earnings are allocated to Village funds according to State statutes, grants requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 and 2005 amounted to \$9,740 and \$7,046. No amounts were assigned from other Village funds.

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by the creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

I. Interfund Receivables/Payables

The Village reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities involving street and state highway maintenance and repairs, police and fire protection, activities of the Village's court, cemetery operations, and the Village's parks and pool. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for unclaimed monies and encumbrances.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds.

Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

3. CHANGE IN BASIS OF ACCOUNTING

For the year ended December 31, 2004, the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's office. Beginning with the year ended December 31, 2005, the Village has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances. These are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis).

5. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies 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.

Inactive deposits are public deposits that the Village Commission has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

5. DEPOSITS AND INVESTMENTS (Continued)

Interim monies held by the Village can 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 and interest by the United States;
2. Bonds, notes, debentures, or 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool (STAROhio); and,
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions. 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.

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2006 and 2005, bank balances of \$1,051,900 and \$932,830, respectively, are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

5. DEPOSITS AND INVESTMENTS (Continued)

The carrying amount of cash and investments on December 31 was as follows:

	<u>2006</u>	<u>2005</u>
Demand Deposits	\$ 320,143	\$ 264,166
Money Market Mutual Funds	716,463	688,055
Total	<u>\$ 1,036,606</u>	<u>\$ 952,221</u>

6. PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes were established at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder paid by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien December 31, 2005, were levied after October 1, 2005, and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values of real property, public utility property, and tangible personal property in Perry and Muskingum Counties upon which 2006 property tax receipts were based are as follows:

Residential	\$ 10,000,760	\$ 8,418,560
Commercial/Industrial/Mineral	2,043,980	1,750,720
Tangible Personal Property:		
Business	317,079	505,112
Public Utility	679,440	664,130
Total Assessed Value	<u>\$ 13,041,259</u>	<u>\$ 11,338,522</u>

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

7. INCOME TAX

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

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

8. TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES

A. Transfers

During 2006 and 2005 the following transfers were made:

2006						
Transfer to	Transfer from					Total
	General	Income Tax	Other Nonmajor Governmental	Sanitary Sewer	USDA Rural Dev Bond Retirement	
General	\$ -	\$ 15,001	\$ 13,835	\$ -	\$ -	\$ 28,836
Street Construction, Maintenance, and Repair	4,726	-	2,274	-	-	7,000
Other Nonmajor Governmental	-	8,585	1,180	-	-	9,765
Income Tax	-	-	458	-	-	458
Water Operating	-	-	678	-	-	678
Sanitary Sewer Operating	-	-	1,454	-	-	1,454
Regional Sewer Operating	-	-	-	42,500	-	42,500
USDA Rural Dev Bond Reserve	-	-	-	-	2,398	2,398
Other Nonmajor Enterprise	-	-	3,753	-	-	3,753
Total	\$ 4,726	\$ 23,586	\$ 23,632	\$ 42,500	\$ 2,398	96,842

2005			
Transfer to	Transfer from		
	Income Tax	Water Operating	Total
General	\$ 5,500	\$ -	\$ 5,500
Street Construction, Maintenance, and Repair	2,000	-	2,000
Other Nonmajor Governmental	24,977	-	24,977
Regional Sewer Operating	-	42,500	42,500
Total	\$ 32,477	\$ 42,500	74,977

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

8. TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES (Continued)

B. Interfund Balances

During 2006, the Fire Levy Fund repaid the Income Tax Fund \$15,355 for an advance made in 2002 for the purpose of purchasing a fire truck. The repayment eliminated the interfund balances.

9. RISK MANAGEMENT

During 2006 and 2005, the Village participated with other local governments in Ohio to participate in the Public Entity Pool of Ohio (PEP), a public entity insurance purchasing pool. Each individual governmental entity enters into an agreement with the PEP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The Village pays this annual premium to the PEP (See Note 15).

The types and amounts of coverage provided by the Public Entity Pool of Ohio are as follows:

Property	Deductible	Limits of Coverage
Real Property	\$2,500	\$22,743,462
Boiler and Machinery	500	702,756
Personal Property	2,500	625,000
General Liability:		
Per Occurrence	0	3,000,000
Aggregate Limit	0	3,000,000
Employers Liability - Stop Gap:		
Per Accident	0	3,000,000
Per Disease Each Employee	0	3,000,000
Per Disease Policy Limit	0	3,000,000
Employee Benefits Liability:		
Per Claim	1,000	1,000,000
Aggregate Limit	1,000	1,000,000
Law Enforcement:		
Each Occurrence	5,000	3,000,000
Aggregate Limit	5,000	3,000,000
Medical Professional		
Each Occurrence	0	3,000,000
Aggregate Limit	0	3,000,000
Wrongful Acts	5,000	3,000,000
Vehicles:		
Bodily Injury:		
Per Person	1,000	3,000,000
Per Accident	1,000	3,000,000
Property Damage		
Uninsured Motorist:		
Per Person	1,000	1,000,000
Per Accident	1,000	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from 2004.

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

10. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the years ended December 31, 2006 and 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 and 8.5 percent of their annual covered salaries, respectively. Members participating in the traditional pension plan who were in law enforcement contributed 10 percent of their annual covered salary; there were no members in public safety. The Village's contribution rates for pension benefits for 2006 and 2005 were 13.7 percent and 13.55 percent, respectively, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contributions for law enforcement were 4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, and 2005, were \$39,104, and \$39,056, respectively. The full amount has been contributed for 2006 and 2005. No Village employees participated in the member-directed plan.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

For the years December 31, 2006 and 2005, plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the Village is required to contribute 11.75 percent. Contributions are authorized by State statute. The Village's contributions to the Fund for years ended December 31, 2006 and 2005, were \$15,075, and \$13,866, respectively. The full amount has been contributed for 2006 and 2005.

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

11. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 and 2005 local government employer contribution rates were 13.7 and 13.55 percent of covered payroll; 4 percent of covered payroll was the portion that were used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual Village contributions for 2006 and 2005 which were used to fund postemployment benefits were \$1,564 and \$555. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rates for 2006 and 2005 is 19.5 percent and 19.5 percent of covered payroll of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

11. POSTEMPLOYMENT BENEFITS (Contributed)

The OP&F's total health care expense for the year ended December 31, 2005, (the latest information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters.

12. CONTINGENCIES

A. Grants

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed cost. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

B. Litigation

The Village is currently not party to any litigation.

13. LONG-TERM OBLIGATIONS

Debt outstanding at December 31, 2006 and December 31, 2005 is detailed in the table on the following page.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

13. LONG-TERM OBLIGATIONS (Continued)

Name of Loan	Description	Principal Outstanding 12/31/04	Additions	Deductions	Principal Outstanding 12/31/05	Additions	Deductions	Principal Outstanding 12/31/06
United State Department of Agrculture- USDA	Sewer Mortgage Revenue Bonds- 1989	\$ 874,000	\$ -	\$ 20,000	\$ 854,000	\$ -	\$ 21,000	\$ 833,000
United State Department of Agrculture- USDA	Sewer Mortgage Revenue Bonds- 1994	107,000	-	2,000	105,000	-	2,000	103,000
Century National Bank- Bond Principal and Interest (MBBR)	Municipal Building	15,615	-	3,463	12,152	-	4,116	8,036
Ohio Water Development Authority	Water	845,307	-	29,949	815,358	-	31,913	783,445
Ohio Water Development Authority	New Sewer Project	152,806	-	14,225	138,581	-	9,746	128,835
Ohio Public Works Commision	Issue II	121,253	-	6,745	114,508	-	6,880	107,628
The Community Bank	Slope Mower Loan	8,997	-	2,205	6,792	-	2,478	4,314
Peoples National Bank	1992 GMC Truck	-	13,150	1,392	11,758	-	4,247	7,511
Peoples National Bank	Police Cruiser Chevy Impala	-	-	-	-	17,200	6,393	10,807
Banc One Leasing	Fire Pump	34,312	-	34,312	-	-	-	-
TOTALS		\$ 2,159,290	\$ 13,150	\$ 114,291	\$ 2,058,149	\$ 17,200	\$ 88,773	\$ 1,986,576

The Municipal Building Bonds were issued for the purchase and renovation of the municipal building. These bonds are being retired through the Debt Service Fund with general property tax revenues in monthly installments of \$403, including interest, though 2008 and are collateralized by the Village's full faith and credit.

The Slope Mower Loan was issued for the purchase of a slope mower by the Village during 2003. The original amount of the loan was \$12,261 and is to be repaid over a period of 5 years in monthly installments of \$224, including interest. The loan is being repaid by the Village from the Flood Control Fund and is collateralized by the full faith and credit of the Village.

The Sewer Mortgage Revenue Bonds were issued to finance sewer system capital improvements. The assets and revenues of the sewer utility are pledged for the repayment of these obligations. The Series 1989 bonds will be repaid in annual installments ranging from \$62,000 to \$64,000, plus interest, and are due in 2028. Interest is paid in annual installments at five percent of the outstanding balance. The Series 1994 bonds will be repaid in annual installments ranging from \$6,000 to \$8,000, plus interest, and are due in 2034. The bond covenant requires the Village to establish and fund a debt service reserve fund, which is included within the enterprise funds on the accompanying financial statements. The balance in the fund on December 31, 2006 is \$70,000.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

13. LONG-TERM OBLIGATIONS (Continued)

The Ohio Public Works Commission Loan relates to sewer system improvements. This loan will be repaid in semiannual installments of \$4,568, including interest and is due in 2020. The assets and revenues of the sewer utility are pledged for the repayment of this obligation.

The Ohio Water Development Authority (OWDA) loans relate to water and sewer plant expansion projects that were mandated by the Ohio Environmental Protection Agency. The assets and revenues of the utilities are pledged for the repayment of these obligations. The Water Treatment Plan Loan (1995) will be repaid in semiannual installments of \$42,701, including interest, over 25 years. The Water Pollution Control Loan (1999) will be repaid in semiannual installments of \$6,371, including interest, over 20 years.

The Peoples National Bank loans relate to vehicle purchases. The 1992 GMC Truck issued in 2005 is a dump truck for salting and scrapping roads in the Village. The assets and revenues come from gas and license tax in the Street Construction, Maintenance, and Repair Fund. The dump truck will be repaid in monthly installments of \$391, including interest, retiring in August 2008. The second Peoples National Bank loan is for a 2005 Chevy Impala. The vehicle is used as a police cruiser. The assets and revenues come from court fines, levies, and taxes in the General Fund. The cruiser is repaid in monthly installments of \$395, including interest, retiring in March 2010.

Amortization of the above debt, including interest, follows:

Year ending December 31:	General Obligation Bonds	General Obligation Notes	OWDA Loans	OPWC Loan	Mortgage Revenue Bonds
2007	\$4,836	\$12,120	\$98,144	\$9,136	\$70,285
2008	\$3,224	\$9,659	\$98,144	\$9,136	\$70,095
2009		\$4,738	\$98,144	\$9,136	\$69,855
2010		\$1,185	\$98,144	\$9,136	\$69,565
2011			\$98,144	\$9,136	\$69,225
2012-2016			\$490,720	\$45,680	\$348,590
2017-2021			\$409,781	\$36,544	\$349,400
2022-2026					\$349,450
2027-2031					\$159,500
2032-2036					\$19,620
Total	\$8,060	\$27,702	\$1,391,221	\$123,336	\$1,575,585

14. LEASE OBLIGATION

On February 25, 2000 the Village entered into a lease purchase agreement with Banc One Leasing Corporation for a fire pumper truck. Payments are made from the Village's Fire Levy Fund in annual installments of \$36,285, including interest. The final payment was paid on February 25, 2005.

15. INSURANCE PURCHASING POOL

Public Entity Pool of Ohio

The Village is a member of the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio political subdivisions. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member political subdivisions pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2005 and 2006

15. INSURANCE PURCHASING POOL (Continued)

Casualty Coverage PEP retains up to \$250,000 per claim, including loss adjustment expenses. PEP makes an annual contribution to APEEP. APEEP reinsures casualty claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. If losses exhaust PEP's net assets, APEEP covers PEP's retained casualty risk up to \$10,000,000 per year, subject to a per-claim limit of \$2,000,000. Local political subdivisions can elect additional coverage, up to a limit of \$12,000,000 from the General Reinsurance Corporation.

Property Coverage PEP retains property risks, including automobile physical damage, up to \$100,000 in any one occurrence. APEEP reinsures property losses that are greater than \$100,000 up to \$250,000 per occurrence. The Travelers Indemnity Company reinsures losses exceeding \$250,000 up to \$600,000,000 per occurrence.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government.

Financial Position PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net assets at December 31, 2005 and 2004, (the latest information available):

	2005	2004
Casualty Coverage:		
Assets	\$29,719,675	\$27,437,169
Liabilities	(15,994,168)	(13,880,038)
Net Assets	\$13,725,507	\$13,557,131
Property Coverage:		
Assets	\$4,443,332	\$3,648,272
Liabilities	(1,068,246)	(540,073)
Net Assets	\$3,375,086	\$3,108,199

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Certified Public Accountants, A.C.

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

June 12, 2007

Village of Roseville
Muskingum County
107 North Main Street
Roseville, Ohio 43777

To the Village Council:

We have audited the financial statements of the governmental and business-type activities, each major fund, and the aggregate remaining fund information of the Village of Roseville, Muskingum County, Ohio (the Village), as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 12, 2007, wherein we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. 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 internal control deficiencies 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 a 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.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 and 2006-002.

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.

Internal Control Over Financial Reporting (Continued)

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 and accordingly, would not necessarily disclose significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings 2006-001 and 2006-002 are also material weaknesses.

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 one instance of noncompliance or other matters we must report under *Governmental Auditing Standard*, which is disclosed in the accompanying Schedule of Findings as item 2006-001.

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 management, and Village Council. It is not intended for anyone other than these specified parties.

Respectfully Submitted

Perry and Associates
Certified Public Accountants, A.C.

**VILLAGE OF ROSEVILLE
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006 and 2005**

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

FINDING NUMBER 2006-001

Non-Compliance/Significant Deficiency

Ohio Rev. Code Section 5705.10 states that all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was established.

In 2005, the Village received moneys from the County in the amount of \$4,772 that were posted improperly to the Roseville Cemetery fund rather than the Fire Levy fund. An adjustment between the two funds is required. The Village has agreed to post the adjustment and the adjustment is reflected in the accompanying financial statements.

The Village should refer to the applicable supporting documentation and apportionment statements, when the above type of receipts are received to ensure they are posted to the proper funds.

Management's Response – We will make all necessary adjustments. These errors occurred prior to the start date of the current fiscal officer. Corrective procedures have since been implemented.

FINDING NUMBER 2006-002

Significant Deficiency / Material Weakness

Posting Receipts

Receipts should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2005 and 2006, receipts and expenditures were not posted into the accurate fund revenue or expenditures fund and/ or classifications based on the source of the receipt or expenditure. This resulted in several adjustments and reclassification entries being made to the financial statements. The Village has posted the adjustments and the adjustments are reflected in the accompanying financial statements.

We recommend the Fiscal Officer refer to supporting documentation, Ohio Administrative Code Section 117-7-01 and/or the Village Officers' Handbook for guidance to determine the proper posting of receipts and expenditures.

Management's Response – We will make all necessary adjustments. These errors occurred prior to the start date of the current fiscal officer. Corrective procedures have since been implemented.

**Village of Roseville
Muskingum County**

**Schedule of Prior Audit Findings
For the Years Ended December 31, 2006 and 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	ORC § 5705.41 (D) – failure to issue purchase orders prior to invoices or services rendered.	Yes	
2004-002	ORC § 5705.40 – actual expenditures exceeded appropriations.	Yes	
2004-003	ORC § 5705.10 – monies were posted to the improper funds.	No.	Repeated as 2006-1
2004-004	“On-behalf-of” payments made by the Ohio Public Works Commission were not recorded.	Yes	
2004-005	The Village Fiscal Officer did not accurately post budgeted receipts to the accounting system.	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF ROSEVILLE

MUSKINGUM 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 2, 2007**