

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

AUDIT REPORT

YEARS ENDED DECEMBER 31, 2012 and 2011

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Dave Yost • Auditor of State

Members of Council
Village of Senecaville
P.O. Box 5
Senecaville, Ohio 43780

We have reviewed the *Independent Auditors' Report* of the Village of Senecaville, Guernsey County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2011 through December 31, 2012. 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 Senecaville is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 30, 2013

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**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of Senecaville
Guernsey County
201 High Street
Senecaville, Ohio 43780

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Senecaville, Guernsey County as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements,, which collectively comprised the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Senecaville, Guernsey County, as of December 31, 2012 and 2011, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, Street Construction, Maintenance and Repair Fund, Fire Fund, and Police Fund, thereof for the years then ended in accordance with the accounting basis described in Note 2

Emphasis of a Matter

As discussed in Note 3 to the financial statements, during 2011, the Village adopted new accounting guidance in Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

As discussed in Note 3 to the financial statements, during 2012, the Village adopted new accounting guidance in Government Accounting Standards Board Statement No. 63, *Financing Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the Village's financial statements that collectively comprise its basic financial statements. Management's Discussion and Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves., and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurances on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2013, on our consideration of the Village of Senecaville'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. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
March 11, 2013

**VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

This discussion and analysis of the Village of Senecaville's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2012 and 2011, within the limitations of the Village's cash basis accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2012 and 2011 are as follows:

Net assets of governmental activities increased \$99,113, or 73.7 percent in 2012. Net assets of governmental activities decreased \$12,858, or 8.7 percent in 2011. The increase in 2012 was due to over \$100,000 in oil and gas money coming to the Village.

The Village's general receipts are primarily property taxes, and intergovernmental receipts. These receipts represent respectively 13 and 18 percent of total cash received for governmental activities in 2012, while in 2011 they accounted for 21 and 34 percent, respectively..

The Village's business-type activities are sewer charges. Net assets decreased by \$15,070 or 6 percent in 2012. In 2011 net assets decreased by 33,327 or 12 percent.. This was due to paying additional debt service in 2011.

In 2012, the Village received over \$100,000 from Oil and Gas monies.

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.

Report Components

The statement of net assets and 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 basic 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.

**VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

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 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 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 Government as a Whole

This annual report includes all activities for which the Village is fiscally responsible. These activities, defined as the Village's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Village.

The statements of net assets and statement of activities for 2012 and 2011 reflect how the Village did financially within the limitations of the cash basis of 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 programs services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General cash receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function and 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 tax base, 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 real estate taxes.

In the statement of net assets and the statement of activities, we divide the government into two types of activities.

Governmental activities - Most of the Village's basic services are reported here, including park operations, police and capital projects. Real estate, property taxes and loans/grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

Business-Type Activities - The Village has one business-type activities, the provision of sewer services. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Government'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 two categories: governmental and proprietary.

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 nonmajor 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 for 2012 and 2011 are the General Fund, Street Construction, Maintenance and Repair Fund, Fire Fund, Police Fund, Special Assessment Debt Service Fund, Municipal Building Capital Projects Fund and Issue II Fund (2011 only). The programs reported in governmental funds are related to those reported in the governmental activities section of the entity-wide statements. There are no reconciliations between the two reports as the Village reports on the cash basis.

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's Enterprise Funds are Sewer Operating Fund, Sewer Debt Fund and Enterprise Debt Service Reserve Fund.

**VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

The Government as a Whole

Table 1 provides a summary of the Village's net assets for 2012 and 2011 on the cash basis:

Table 1
NET ASSETS

	Governmental Activities 2012	Governmental Activities 2011	Business-Type Activities 2012	Business-Type Activities 2011	Total 2012	Total 2011
Assets:						
Cash	\$ 233,471	\$ 134,358	\$ 235,010	\$ 250,080	\$ 468,481	\$ 384,438
Total Assets	<u>\$ 233,471</u>	<u>\$ 134,358</u>	<u>\$ 235,010</u>	<u>\$ 250,080</u>	<u>\$ 468,481</u>	<u>\$ 384,438</u>
Net Assets						
Restricted For:						
Other Purposes	\$ 73,461	\$ 69,880	\$ -	\$ -	\$ 73,461	\$ 69,880
Capital Projects	48,892	43,935	-	-	48,892	43,935
Debt Service	4,052	6,819	87,742	77,834	91,794	84,653
Unrestricted	106,886	13,724	147,268	172,246	254,154	185,970
Total Net Assets	<u>\$ 233,291</u>	<u>\$ 134,358</u>	<u>\$ 235,010</u>	<u>\$ 250,080</u>	<u>\$ 468,301</u>	<u>\$ 384,438</u>

The total net assets of the Village increased by \$84,043 in 2012 and decreased by \$46,185 in 2011. Net assets of governmental activities increased by \$99,113 or 73.7% from 2011 and decreased by \$12,858 or 8.7% from 2010. Net assets of business type activities decreased by \$15,070 or 6% from 2011 and decreased by \$33,327 or 12.0% from 2010.

**VILLAGE OF SENECVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
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Table 2 reflects the changes in net assets in 2012 and 2011:

Table 2
CHANGES IN NET ASSETS

	Governmental Activities 2012	Governmental Activities 2011	Business-Type Activities 2012	Business-Type Activities 2011	Totals 2012	Totals 2011
Receipts:						
Program Receipts						
Charges for Services	\$ 29,225	\$ 25,151	\$ 115,468	\$ 101,392	\$ 144,693	\$ 126,543
Operating Grants	22,596	22,918	-	-	22,596	22,918
Capital Grants	-	5,401	-	-	-	5,401
Total Program Receipts	<u>51,821</u>	<u>53,470</u>	<u>115,468</u>	<u>101,392</u>	<u>167,289</u>	<u>154,862</u>
General Receipts:						
Property and Other Tax	33,329	34,490	-	-	33,329	34,490
Grants and Entitlements not Restricted	25,788	26,321	-	-	25,788	26,321
Special Assessments	25,744	25,166	-	-	25,744	25,166
Interest Income	990	1,299	-	-	990	1,299
Miscellaneous	128,049	20,831	14,994	16,443	143,043	37,274
Total General Receipts	<u>213,900</u>	<u>108,107</u>	<u>14,994</u>	<u>16,443</u>	<u>228,894</u>	<u>124,550</u>
Total Receipts	<u>265,721</u>	<u>161,577</u>	<u>130,462</u>	<u>117,835</u>	<u>396,183</u>	<u>279,412</u>
Disbursements:						
Sec. of Persons & Prop.	79,997	61,275	-	-	79,997	61,275
Public Health Activities	1,189	1,617	-	-	1,189	1,617
Leisure Time Activities	174	155	-	-	174	155
Transportation	31,432	31,936	-	-	31,432	31,936
General Government	25,305	26,114	-	-	25,305	26,114
Capital Outlay	-	24,844	-	-	-	24,844
Debt Service:						
Principal	25,866	25,306	-	-	25,866	25,306
Interest	2,645	3,188	-	-	2,645	3,188
Sewer	-	-	145,532	151,162	145,532	151,162
Total Disbursements	<u>166,608</u>	<u>174,435</u>	<u>145,532</u>	<u>151,162</u>	<u>312,140</u>	<u>325,597</u>
Increase/(Decrease) In Net Assets	99,113	(12,858)	(15,070)	(33,327)	84,043	(46185)
Net Assets, January 1	<u>134,358</u>	<u>147,216</u>	<u>250,080</u>	<u>283,407</u>	<u>384,438</u>	<u>430,623</u>
Net Assets, December 31	<u>\$ 233,471</u>	<u>\$ 134,358</u>	<u>\$ 235,010</u>	<u>\$ 250,080</u>	<u>\$ 468,481</u>	<u>\$ 384,438</u>

Program receipts represent 42 % and 55% of total receipts for 2012 and 2011. They are primarily comprised of sewer fees and grant monies. Intergovernmental receipts such as motor vehicle license and gas tax money, licenses and permits and charges to local governments are included.

General receipts represent 58% and 45% of the Village's total receipts for 2012 and 2011. Local taxes represent 16% and 32% of the general receipts for 2012 and 2011. Grants and entitlements, and special assessments make up the balance of general receipts. Other receipts are insignificant and somewhat unpredictable receipt 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, fiscal officer, as well as internal services such as payroll and purchasing.

**VILLAGE OF SENECVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

Security of Persons and Property are the costs of police and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks; and Transportation is the cost of maintaining roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village of Senecaville. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for security of persons and property, general government and transportation, which account for 48, 15, and 19 percent of all governmental disbursements for 2012 and 35, 15, and 18 percent for 2011.. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village of Senecaville that must be used to provide a specific service. This "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 service and the net cost for 2012 and 2011 is presented in Table 3.

Table 3

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Security of Persons and Property	\$ 79,997	\$ 59,097	\$ 61,275	\$ 44,375
Public Health Activities	1,189	1,189	1,617	1,617
Leisure Time Activities	174	174	155	155
Transportation	31,432	8,836	31,936	9,018
General Government	25,305	16,980	26,114	17,863
Debt Service - Principal	25,866	25,866	25,306	25,306
Debt Service - Interest	2,645	2,645	3,188	3,188
Capital Outlay	-	-	24,844	19,443
Total Expenses	<u>\$ 166,608</u>	<u>\$ 114,787</u>	<u>\$ 174,435</u>	<u>\$ 120,965</u>

The dependence upon property tax is apparent as over 29% and 29% for 2012 and 2011 of governmental activities are supported through these general receipts.

**VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED**

Business-Type Activities

The Village's sewer operations account for the expenses for the Village's business-type activities and are funded almost entirely from charges for services. During 2012, expenditures exceeded receipts decreasing net assets by \$15,070. During 2011, expenditures exceeded receipts resulting in a \$33,327 decrease in net assets.

The Government's Funds

Total governmental funds had receipts of \$266,546 and \$162,863 for 2012 and 2011 and disbursements of \$167,433 and \$175,721 for 2012 and 2011. The most significant change from the prior year in receipts is the increase in miscellaneous receipts in the General Fund from the oil and gas monies in 2012. Disbursements stayed relatively the same.

General Fund receipts were more than disbursements indicating the General Fund is in a surplus spending situation in 2012 and receipts were less than disbursements indicating the General Fund was in a deficit spending situation in 2011..

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 2012 and 2011, the Village made amendments to its appropriation budget and receipts budget to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant after council certified to amend resources.

Final budgeted disbursements for 2012 and 2011 were \$134,992 and \$42,336. Actual disbursements for 2012 and 2011 were \$33,522 and \$33,490. The Village kept spending close to budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

The Village of Senecaville does not currently keep track of its capital assets and infrastructure in the accompanying financial statements, but records payments for capital assets as disbursements.

Debt Administration

At December 31, 2012, the Village had outstanding debt in the amount of \$805,464. Included in this debt is a loan of \$95,122 for assessment of a defaulted sewer system and \$710,342 in sewer debt for the lagoon plant and lift stations. \$50,814 is due in 2013. For further information regarding the Village's debt, refer to Note 10.

***VILLAGE OF SENECAVILLE, GUERNSEY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011
UNAUDITED***

Current Issues

The challenge for all governments 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 to help cover general expenses. We have reviewed our sources of revenue and determined that increases are unlikely.

Contacting the Government'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 Laurie Haning, Fiscal Officer, Village of Senecaville, 201 High Street, Senecaville, Ohio 43780.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF NET POSITION-CASH BASIS
December 31, 2012**

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 233,471	\$ 235,010	\$ 468,481
Total Assets	\$ 233,471	\$ 235,010	\$ 468,481
NET POSITION:			
Restricted for:			
Other Purposes	73,461	-	73,461
Capital Projects	48,892	-	48,892
Debt Service	4,052	87,742	91,794
Unrestricted	106,886	147,268	254,154
Total Net Assets	\$ 233,291	\$ 235,010	\$ 468,301

See notes to basic financial statements.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

STATEMENT OF ACTIVITIES-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Security of Persons and Property	\$ 79,997	\$ 20,900	\$ -	\$ -	\$ (59,097)	\$ -	\$ (59,097)
Public Health Services	1,189	-	-	-	(1,189)	-	(1,189)
Leisure Time Activities	174	-	-	-	(174)	-	(174)
Transportation	31,432	-	22,596	-	(8,836)	-	(8,836)
General Government	25,305	8,325	-	-	(16,980)	-	(16,980)
Other	-	-	-	-	-	-	-
Debt Service - Principal	25,866	-	-	-	(25,866)	-	(25,866)
Debt Service-Interest	2,645	-	-	-	(2,645)	-	(2,645)
Total Governmental Activities	166,608	29,225	22,596	-	(114,787)	-	(114,787)
Business Type Activities							
Sewer Operating	93,440	53,468	-	-	-	(39,972)	(39,972)
Sewer Debt	52,092	62,000	-	-	-	9,908	9,908
Total Business Type Activities	145,532	115,468	-	-	-	(30,064)	(30,064)
Total	\$ 312,140	\$ 144,693	\$ 22,596	\$ -	(114,787)	(30,064)	(144,851)
General Receipts:							
Property Taxes					33,329	-	33,329
Grants and Entitlements not Restricted to Specific Programs					25,788	-	25,788
Special Assessments					25,744	-	25,744
Earnings on Investments					990	-	990
Miscellaneous					128,049	14,994	143,043
Total General Receipts					213,900	14,994	228,894
Change in Net Position					99,113	(15,070)	84,043
Net Position Beginning of Year					134,358	250,080	384,438
Net Position End of Year					\$ 233,471	\$ 235,010	\$ 468,481

See notes to the basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2012**

	<u>General</u>	<u>Street Construction Maint. Rep.</u>	<u>Fire Fund</u>	<u>Police Fund</u>	<u>Special Assessment Debt Service Fund</u>	<u>Municipal Building Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:								
Equity in Pooled Cash and cash Equivalents	\$ 106,886	\$ 36,926	\$ 24,591	\$ 5,831	\$ 4,052	\$ 39,900	\$ 15,285	\$ 233,471
Total Assets	<u>\$ 106,886</u>	<u>\$ 36,926</u>	<u>\$ 24,591</u>	<u>\$ 5,831</u>	<u>\$ 4,052</u>	<u>\$ 39,900</u>	<u>\$ 15,285</u>	<u>\$ 233,471</u>
Fund Cash Balances:								
Restricted	\$ -	\$ 36,926	\$ 24,591	\$ 5,831	\$ 4,052	\$ -	\$ 15,285	\$ 86,685
Committed	-	-	-	-	-	39,900	-	39,900
Unassigned	106,866	-	-	-	-	-	-	106,866
Total Fund Cash Balances	<u>\$ 106,866</u>	<u>\$ 36,926</u>	<u>\$ 24,591</u>	<u>\$ 5,831</u>	<u>\$ 4,052</u>	<u>\$ 39,900</u>	<u>\$ 15,285</u>	<u>\$ 233,451</u>

See notes to basic financial statements.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Street Construction Maint. Rep.	Fire Fund	Police Fund	Special Assessment Debt Service Fund	Municipal Building Project Fund	Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS								
Property and Other Local Taxes	\$ 7,460	\$ 8,410	\$ 8,333	\$ 9,126	\$ -	\$ -	\$ -	\$ 33,329
Intergovernmental	14,588	22,261	2,170	2,339	-	-	7,026	48,384
Special Assessment	-	-	-	-	25,744	-	-	25,744
Charges for Services	-	-	20,500	400	-	-	-	20,900
Fines, Licenses, Permits	-	-	-	8,325	-	-	-	8,325
Earnings on Investments	937	53	-	-	-	-	-	990
Miscellaneous	103,699	20,000	-	4,350	-	-	-	128,049
Total Receipts	<u>126,684</u>	<u>50,724</u>	<u>31,003</u>	<u>24,540</u>	<u>25,744</u>	<u>-</u>	<u>7,026</u>	<u>265,721</u>
CASH DISBURSEMENTS:								
Current:								
Security of Persons and Property	10,562	-	51,463	17,972	-	-	-	79,997
Public Health Services	-	389	-	800	-	-	-	1,189
Leisure Time Activities	174	-	-	-	-	-	-	174
Transportation	-	29,238	-	-	-	-	2,194	31,432
General Government	21,961	282	280	2,782	-	-	-	25,305
Debt Service								
Principal Retirement	-	-	-	-	25,866	-	-	25,866
Interest and Fiscal Charges	-	-	-	-	2,645	-	-	2,645
Total Disbursements	<u>32,697</u>	<u>29,909</u>	<u>51,743</u>	<u>21,554</u>	<u>28,511</u>	<u>-</u>	<u>2,194</u>	<u>166,608</u>
Excess of Receipts Over (Under) Disbursements	93,987	20,815	(20,740)	2,986	(2,767)	-	4,832	99,113
Other Cash Financing Sources (Uses)								
Transfer - In	-	-	-	-	-	825	-	825
Transfer - Out	(825)	-	-	-	-	-	-	(825)
Total Other Financing Sources (Uses)	<u>(825)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>825</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	93,162	20,815	(20,740)	2,986	(2,767)	825	4,832	99,113
Cash Fund Balances Beginning of Year	<u>13,724</u>	<u>16,111</u>	<u>45,331</u>	<u>2,845</u>	<u>6,819</u>	<u>39,075</u>	<u>10,453</u>	<u>134,358</u>
Cash Fund Balances End of Year	<u>\$ 106,886</u>	<u>\$ 36,926</u>	<u>\$ 24,591</u>	<u>\$ 5,831</u>	<u>\$ 4,052</u>	<u>\$ 39,900</u>	<u>\$ 15,285</u>	<u>\$ 233,471</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 7,192	\$ 7,192	\$ 7,460	\$ 268
Intergovernmental	14,307	14,307	14,588	281
Earnings on Investments	960	960	937	(23)
Miscellaneous	200	98,809	103,699	4,890
Total Receipts	<u>22,659</u>	<u>121,268</u>	<u>126,684</u>	<u>5,416</u>
CASH DISBURSEMENTS:				
Current:				
Security of Persons and Property	8,600	37,517	10,562	26,955
Public Health Services	1,000	1,000	-	1,000
Leisure Time Activities	565	565	174	391
General Government	25,393	95,085	21,961	73,124
Total Disbursements	<u>35,558</u>	<u>134,167</u>	<u>32,697</u>	<u>101,470</u>
Excess of Receipts Over (Under) Disbursements	(12,899)	(12,899)	93,987	106,886
Other Cash Financing Sources (Uses)				
Transfers Out	(825)	(825)	(825)	-
Total Other Financing Sources (Uses)	<u>(825)</u>	<u>(825)</u>	<u>(825)</u>	<u>-</u>
Net Change in Fund Balance	(13,724)	(13,724)	93,162	106,886
Unencumbered Cash Fund Balances Beginning of Year	<u>13,724</u>	<u>13,724</u>	<u>13,724</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,886</u>	<u>\$ 106,886</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
STREET CONSTRUCTION, MAINTENANCE, REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 8,143	\$ 8,143	\$ 8,410	\$ 267
Intergovernmental	21,600	21,600	22,261	661
Earnings on Investments	45	45	53	8
Miscellaneous	-	20,000	20,000	-
Total Receipts	<u>29,788</u>	<u>49,788</u>	<u>50,724</u>	<u>936</u>
CASH DISBURSEMENTS:				
Current:				
Transportation	44,694	64,694	29,238	35,456
Public Health Services	550	550	389	161
General Government	655	655	282	373
Total Disbursements	<u>45,899</u>	<u>65,899</u>	<u>29,909</u>	<u>35,990</u>
Net Change in Fund Balance	(16,111)	(16,111)	20,815	36,926
Unencumbered Cash Fund Balances Beginning of Year	<u>16,111</u>	<u>16,111</u>	<u>16,111</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,926</u>	<u>\$ 36,926</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 8,084	\$ 8,084	\$ 8,333	\$ 249
Intergovernmental	2,095	2,095	2,170	75
Charges for Services	15,000	15,000	20,500	5,500
Total Receipts	<u>25,179</u>	<u>25,179</u>	<u>31,003</u>	<u>5,824</u>
CASH DISBURSEMENTS:				
Current:				
Security of Person and Property	68,650	68,650	51,463	17,187
General Government	1,860	1,860	280	1,580
Total Disbursements	<u>70,510</u>	<u>70,510</u>	<u>51,743</u>	<u>18,767</u>
Net Change in Fund Balance	(45,331)	(45,331)	(20,740)	24,591
Unencumbered Cash Fund Balances Beginning of Year	<u>45,331</u>	<u>45,331</u>	<u>45,331</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,591</u>	<u>\$ 24,591</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 9,022	\$ 9,022	\$ 9,126	\$ 104
Intergovernmental	2,250	2,250	2,339	89
Charges for Services	400	400	400	-
Fines, Licenses, Permits	7,600	7,600	8,325	725
Miscellaneous	-	4,350	4,350	-
Total Receipts	<u>19,272</u>	<u>23,622</u>	<u>24,540</u>	<u>918</u>
CASH DISBURSEMENTS:				
Current:				
Security of Person and Property	17,482	22,542	17,972	4,570
Public Health Services	800	800	800	-
General Government	3,835	3,125	2,782	343
Total Disbursements	<u>22,117</u>	<u>26,467</u>	<u>21,554</u>	<u>4,913</u>
Net Change in Fund Balance	(2,845)	(2,845)	2,986	5,831
Unencumbered Cash Fund Balances Beginning of Year	<u>2,845</u>	<u>2,845</u>	<u>2,845</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,831</u></u>	<u><u>\$ 5,831</u></u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF FUND NET POSITION-CASH BASIS
PROPRIETARY FUNDS
December 31, 2012**

	Sewer Operating	Sewer Debt	Enterprise Debt Service Reserve	Total Enterprise Funds
ASSETS:				
Equity in Pooled Cash and cash Equivalents	\$ 147,268	\$ 39,881	\$ 47,861	\$ 235,010
Total Assets	\$ 147,268	\$ 39,881	\$ 47,861	\$ 235,010
Net Position:				
Restricted for:				
Debt Service	-	39,881	47,861	87,742
Unrestricted	147,268	-	-	147,268
Total Net Position	\$ 147,268	\$ 39,881	\$ 47,861	\$ 235,010

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION-CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Sewer Operating	Sewer Debt	Enterprise Debt Service Reserve	Enterprise Total
OPERATING CASH RECEIPTS				
Charges for Services	\$ 53,468	\$ 62,000	\$ -	\$ 115,468
Total Operating Receipts	53,468	62,000	-	115,468
OPERATING CASH DISBURSEMENTS:				
Personal Services	24,062	-	-	24,062
Employee Fringe Benefits	4,891	-	-	4,891
Contractual Services	26,267	-	-	26,267
Supplies and Materials	14,643	-	-	14,643
Total Operating Disbursements	69,863	-	-	69,863
Operating Income (Loss)	(16,395)	62,000	-	45,605
Non-operating Cash Receipts (Disbursements)				
Miscellaneous	14,994	-	-	14,994
Capital Outlay	(23,577)	-	-	(23,577)
Debt Service:				
Principal	-	(23,775)	-	(23,775)
Interest	-	(28,317)	-	(28,317)
Total non-operating Cash Receipts (Disbursements)	(8,583)	(52,092)	-	(60,675)
Change in Position	(24,978)	9,908	-	(15,070)
Net Position Beginning of Year	172,246	29,973	47,861	250,080
Net Position End of Year	\$ 147,268	\$ 39,881	\$ 47,861	\$ 235,010

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF NET ASSETS-CASH BASIS
December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 134,358	\$ 250,080	\$ 384,438
Total Assets	\$ 134,358	\$ 250,080	\$ 384,438
NET ASSETS:			
Restricted for:			
Other Purposes	69,880	-	69,880
Capital Projects	43,935	-	43,935
Debt Service	6,819	77,834	84,653
Unrestricted	13,724	172,246	185,970
Total Net Assets	\$ 134,358	\$ 250,080	\$ 384,438

See notes to basic financial statements.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
December 31, 2011

	General	Street Construction Maint. Rep.	Fire Fund	Police Fund	Special Assessment Debt Service Fund	Municipal Building Project Fund	Issue II Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:									
Equity in Pooled Cash and cash Equivalents	\$ 13,724	\$ 16,111	\$ 45,331	\$ 2,845	\$ 6,819	\$ 39,075	\$ 4,860	\$ 5,593	\$ 134,358
Total Assets	<u>\$ 13,724</u>	<u>\$ 16,111</u>	<u>\$ 45,331</u>	<u>\$ 2,845</u>	<u>\$ 6,819</u>	<u>\$ 39,075</u>	<u>\$ 4,860</u>	<u>\$ 5,593</u>	<u>\$ 134,358</u>
Fund Cash Balances:									
Restricted	\$ -	\$ 16,111	\$ 45,331	\$ 2,845	\$ 6,819	\$ -	\$ 4,860	\$ 5,593	\$ 81,559
Committed	-	-	-	-	-	39,075	-	-	39,075
Unassigned	13,724	-	-	-	-	-	-	-	13,724
Total Fund Cash Balances	<u>\$ 13,724</u>	<u>\$ 16,111</u>	<u>\$ 45,331</u>	<u>\$ 2,845</u>	<u>\$ 6,819</u>	<u>\$ 39,075</u>	<u>\$ 4,860</u>	<u>\$ 5,593</u>	<u>\$ 134,358</u>

See notes to basic financial statements.

VILLAGE OF SENECAVILLE
GUERNSEY COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Street Construction Maint. Rep.	Fire Fund	Police Fund	Special Assessment Debt Service Fund	Municipal Building Project Fund	Issue II Fund	Other Governmental Funds	Total Governmental Funds
CASH RECEIPTS									
Property and Other Local Taxes	\$ 7,652	\$ 8,697	\$ 8,583	\$ 9,558	\$ -	\$ -	\$ -	\$ -	\$ 34,490
Intergovernmental	18,886	22,664	2,321	2,564	-	-	5,401	2,804	54,640
Special Assessment	-	-	-	-	25,166	-	-	-	25,166
Charges for Services	-	-	16,500	400	-	-	-	-	16,900
Fines, Licenses, Permits	-	-	-	8,251	-	-	-	-	8,251
Earnings on Investments	1,245	54	-	-	-	-	-	-	1,299
Miscellaneous	831	-	20,000	-	-	-	-	-	20,831
Total Receipts	28,614	31,415	47,404	20,773	25,166	-	5,401	2,804	161,577
CASH DISBURSEMENTS:									
Current:									
Security of Persons and Property	9,693	-	35,313	16,269	-	-	-	-	61,275
Public Health Services	469	402	-	746	-	-	-	-	1,617
Leisure Time Activities	155	-	-	-	-	-	-	-	155
Transportation	-	31,417	-	-	-	-	-	519	31,936
General Government	21,887	305	1,149	2,773	-	-	-	-	26,114
Debt Service									
Principal Retirement	-	-	-	-	25,306	-	-	-	25,306
Interest and Fiscal Charges	-	-	-	-	3,188	-	-	-	3,188
Capital Outlay	-	-	-	-	-	-	24,844	-	24,844
Total Disbursements	32,204	32,124	36,462	19,788	28,494	-	24,844	519	174,435
Excess of Receipts Over (Under) Disbursements	(3,590)	(709)	10,942	985	(3,328)	-	(19,443)	2,285	(12,858)
Other Cash Financing Sources (Uses)									
Transfer - In	-	-	-	-	-	1,286	-	-	1,286
Transfer - Out	(1,286)	-	-	-	-	-	-	-	(1,286)
Total Other Financing Sources (Uses)	(1,286)	-	-	-	-	1,286	-	-	-
Net Change in Fund Balance	(4,876)	(709)	10,942	985	(3,328)	1,286	(19,443)	2,285	(12,858)
Cash Fund Balances Beginning of Year	18,600	16,820	34,389	1,860	10,147	37,789	24,303	3,308	147,216
Cash Fund Balances End of Year	\$ 13,724	\$ 16,111	\$ 45,331	\$ 2,845	\$ 6,819	\$ 39,075	\$ 4,860	\$ 5,593	\$ 134,358

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 7,104	\$ 7,104	\$ 7,652	\$ 548
Intergovernmental	14,632	14,632	18,886	4,254
Earnings on Investments	1,800	1,800	1,245	(555)
Miscellaneous	200	200	831	631
Total Receipts	<u>23,736</u>	<u>23,736</u>	<u>28,614</u>	<u>4,878</u>
CASH DISBURSEMENTS:				
Current:				
Security of Persons and Property	10,700	10,700	9,693	1,007
Public Health Services	560	560	469	91
Leisure Time Activities	400	400	155	245
General Government	29,390	29,390	21,887	7,503
Total Disbursements	<u>41,050</u>	<u>41,050</u>	<u>32,204</u>	<u>8,846</u>
Excess of Receipts Over (Under) Disbursements	(17,314)	(17,314)	(3,590)	13,724
Other Cash Financing Sources (Uses)				
Transfers Out	(1,286)	(1,286)	(1,286)	-
Total Other Financing Sources (Uses)	<u>(1,286)</u>	<u>(1,286)</u>	<u>(1,286)</u>	<u>-</u>
Net Change in Fund Balance	(18,600)	(18,600)	(4,876)	13,724
Unencumbered Cash Fund Balances Beginning of Year	<u>18,600</u>	<u>18,600</u>	<u>18,600</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,724</u>	<u>\$ 13,724</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
STREET CONSTRUCTION, MAINTENANCE, REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 8,200	\$ 8,200	\$ 8,697	\$ 497
Intergovernmental	23,151	23,151	22,664	(487)
Earnings on Investments	60	60	54	(6)
Total Receipts	<u>31,411</u>	<u>31,411</u>	<u>31,415</u>	<u>4</u>
CASH DISBURSEMENTS:				
Current:				
Transportation	47,096	47,096	31,417	15,679
Public Health Services	480	480	402	78
General Government	655	655	305	350
Total Disbursements	<u>48,231</u>	<u>48,231</u>	<u>32,124</u>	<u>16,107</u>
Net Change in Fund Balance	(16,820)	(16,820)	(709)	16,111
Unencumbered Cash Fund Balances Beginning of Year	<u>16,820</u>	<u>16,820</u>	<u>16,820</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,111</u>	<u>\$ 16,111</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 7,960	\$ 7,960	\$ 8,583	\$ 623
Intergovernmental	2,487	2,487	2,321	(166)
Charges for Services	15,000	15,000	16,500	1,500
Miscellaneous	20,000	20,000	20,000	-
Total Receipts	<u>45,447</u>	<u>45,447</u>	<u>47,404</u>	<u>1,957</u>
CASH DISBURSEMENTS:				
Current:				
Security of Person and Property	77,976	77,976	35,313	42,663
General Government	1,860	1,860	1,149	711
Total Disbursements	<u>79,836</u>	<u>79,836</u>	<u>36,462</u>	<u>43,374</u>
Net Change in Fund Balance	(34,389)	(34,389)	10,942	45,331
Unencumbered Cash Fund Balances Beginning of Year	<u>34,389</u>	<u>34,389</u>	<u>34,389</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,331</u>	<u>\$ 45,331</u>

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES
BUDGET AND ACTUAL - BUDGET BASIS
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
CASH RECEIPTS				
Property and Other Local Taxes	\$ 8,871	\$ 8,871	\$ 9,558	\$ 687
Intergovernmental	2,804	2,804	2,564	(240)
Charges for Services	400	400	400	-
Fines, Licenses, Permits	7,710	7,710	8,251	541
Total Receipts	<u>19,785</u>	<u>19,785</u>	<u>20,773</u>	<u>988</u>
CASH DISBURSEMENTS:				
Current:				
Security of Person and Property	17,088	17,088	16,269	819
Public Health Services	750	750	746	
General Government	3,807	3,807	2,773	1,034
Total Disbursements	<u>21,645</u>	<u>21,645</u>	<u>19,788</u>	<u>1,853</u>
Net Change in Fund Balance	(1,860)	(1,860)	985	2,845
Unencumbered Cash Fund Balances Beginning of Year	<u>1,860</u>	<u>1,860</u>	<u>1,860</u>	<u>-</u>
Unencumbered Cash Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,845</u>	<u>\$ 2,845</u>

See notes to basic financial statements.

**VILLAGE OF SENECVILLE
GUERNSEY COUNTY**

**STATEMENT OF FUND NET ASSETS-CASH BASIS
PROPRIETARY FUNDS
December 31, 2011**

	Sewer Operating	Sewer Debt	Enterprise Debt Service Reserve	Total Enterprise Funds
ASSETS:				
Equity in Pooled Cash and cash Equivalents	\$ 172,246	\$ 29,973	\$ 47,861	\$ 250,080
Total Assets	\$ 172,246	\$ 29,973	\$ 47,861	\$ 250,080
Net Assets:				
Restricted for:				
Debt Service	-	29,973	47,861	77,834
Unrestricted	172,246	-	-	172,246
Total Net Assets	\$ 172,246	\$ 29,973	\$ 47,861	\$ 250,080

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS-CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Sewer Operating	Sewer Debt	Enterprise Debt Service Reserve	Enterprise Total
OPERATING CASH RECEIPTS				
Charges for Services	\$ 49,392	\$ 52,000	\$ -	\$ 101,392
Total Operating Receipts	49,392	52,000	-	101,392
OPERATING CASH DISBURSEMENTS:				
Personal Services	20,717	-	-	20,717
Employee Fringe Benefits	3,773	-	-	3,773
Contractual Services	22,133	-	-	22,133
Supplies and Materials	10,807	-	-	10,807
Total Operating Disbursements	57,430	-	-	57,430
Operating Income (Loss)	(8,038)	52,000	-	43,962
Non-operating Cash Receipts (Disbursements)				
Miscellaneous	16,443	-	-	16,443
Capital Outlay	(825)	-	-	(825)
Debt Service:				
Principal	-	(63,275)	-	(63,275)
Interest	-	(29,632)	-	(29,632)
Total non-operating Cash Receipts (Disbursements)	15,618	(92,907)	-	(77,289)
Change in Net Assets	7,580	(40,907)	-	(33,327)
Net Assets Beginning of Year	164,666	70,880	47,861	283,407
Net Assets End of Year	\$ 172,246	\$ 29,973	\$ 47,861	\$ 250,080

See notes to basic financial statements.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

The Village of Senecaville, Guernsey County (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides sewer utilities, park operations, and police services.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the Village are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, sewer utilities, maintenance of Village roads, park operations, and police services. The Village levy supports a volunteer fire department, police fund and street department. Council has direct responsibility for these services.

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 the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally 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 and the fund financial statements for the proprietary funds, 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.. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial 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 position 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 fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. 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 service.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position present the cash balance of the governmental and business-type activities of the Village at year-end. The statement of activities compares disbursements with program receipts for each program or function 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 programs goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants required to be used to support 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 general receipts of the Village.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds 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. Non-major 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 funds' principal services. Operating disbursements include cost of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Fund Accounting

The Village uses funds 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. The funds of the Village are divided into two categories, governmental and proprietary.

Governmental Funds

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

- The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.
- The Street Construction, Maintenance and Repair Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.
- The Fire Fund receives fire levy monies to be used by the volunteer fire department for fire protection of the Village.
- The Police Fund receives tax money and fines for providing police protection to the Village.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The Special Assessment Debt Services Fund receives special assessment monies for the repayment of debt relating to sewer engineering costs.
- The Municipal Building Capital Projects Fund receives interest monies for the potential construction of a new municipal building.
- The Issue II Fund receives Issue II monies for capital projects.

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

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise.

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 Village’s major enterprise funds are the Water Operating Fund.

Sewer Operating Fund – The fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Debt Fund – This fund receives an allocation of sewer revenues for retirement of debt.

Basis of Accounting

The Village’s financial statements are prepared using the cash basis of accounting. 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.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue 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.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate. The appropriations ordinance is the Village Council's authorization to spend resources and set limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, function and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained throughout Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2012 and 2011 was \$937 and \$1,245 respectively..

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent amounts set aside to satisfy debt requirements for current and future debt payments.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory and Prepaid Items

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

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.

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.

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.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

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 the 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 another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for debt payments, capital expenditures such as land and land improvements, street maintenance, and police and fire equipment.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit the amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash receipts in the seller funds and as cash 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 on the financial statements.

3. CHANGE IN ACCOUNTING PRINCIPLE

In 2011, the Village implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 had no effect on fund balances of the major governmental funds and all other governmental funds as previously reported.

In 2012, The Village implemented Government Accounting Standards Board (GASB) Statement No. 63, "Financing Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Village's 2012 financial statements; however, there was no effect on beginning net position/fund balance.

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, Street Construction, Maintenance, Repair Fund, Fire Fund and Police Fund are prepared on the budgetary basis to provide a meaningful comparisons of actual results with the budget. The differences between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). There were no encumbrances outstanding at year-end.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. DEPOSITS AND INVESTMENTS

Monies held by the Village are classified by State into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active 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 Council 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.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 any other obligation or security 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 obligation 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 (STAR Ohio).

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Village did not have any undeposited cash on hand.

Deposits

Custodial credit risk 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, 2012, \$223,787 of the Village's bank balance of \$473,787 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

Custodial credit risk 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, 2011, \$178,414 of the Village's bank balance of \$428,414 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

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 by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with 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.

Investments

As of December 31, 2012 and 2011, the Village had no investments.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2012 for real and public utility property taxes represents collection of 2011 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2012, was \$15.10 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2012 property tax receipts were based are as follows:

Real Property	\$	2,766,880
Public Utility Personal Property		341,880
Total		\$ 3,108,760

7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2012, the Village contracted with one company for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
EMC Insurance Company		
General Liability	\$ 1,000,000	\$ 250
Inland Marine	19,155	250
Commercial Auto	1,000,000	250
Public Officials Liability	1,000,000	1,000
Law Enforcement Liability	1,000,000	1,000
Computer - Hardware	500,000	250
Computer - Software	50,000	250

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from prior year.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description - 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2012, members in the state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2012, member and employer contribution rates were consistent across all three plans. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.00% and 12.60% respectively.

The Villages 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the Village's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.0 percent. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.23 percent. Employer contribution rates are actuarially determined.

The Village's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$8,207, \$7,133, and \$7,092, respectively. The full amount has been contributed for 2012, 2011 and 2010.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Public Employees Retirement System

In June 2012, the Government Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on financial statements

9. POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERs financial report which may be obtained by writing to OPERS, 277 East Towns Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contributions rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

9. POSTEMPLOYMENT BENEFITS (Continued)

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to health care was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$2,344, \$2,547, and \$2,396, respectively; the full amount has been contributed for 2012, 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

10. DEBT

The Village's long -term debt activity for the year ended December 31, 2012, was as follows:

	Interest Rate	Balance January 1 2011	Additions	Deductions	Balance December 31 2012	Amount Due Within One Year
<u>Governmental-Type</u>						
<u>Activities</u>						
OWDA Loan	2.20%	\$ 146,294	\$ -	\$ 51,172	\$ 95,122	\$ 26,439
<u>Business-Type Activities</u>						
OPWC Loan	0.00%	138,901	-	23,150	115,751	11,575
USDA Bonds	4.50%	658,491	-	63,900	594,591	12,800
Total		<u>\$ 943,686</u>	<u>\$ -</u>	<u>\$ 138,222</u>	<u>\$ 805,464</u>	<u>\$ 50,814</u>

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

10. DEBT (CONTINUED)

The Ohio Water Development Authority (OWDA) Loan obtained in 1995 relates to a sewer system expansion project that was mandated by the Ohio Environmental Protection Agency. The Loan will be repaid in semiannual installments of \$14,193, including interest, over 20 years. The loan is secured by property taxes and sewer receipts (if not enough in taxes). The Village has agreed to set special assessments sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission interest free loan (OPWC) obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semiannual installments of \$5,787, over 20 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The USDA Rural Development Sanitary Sewer Mortgage Revenue Bonds were obtained in June of 2002 for the purpose of paying costs on constructing and improvements to the Village's sewer system. The bonds were scheduled to be repaid over 40 years, however the Village has made additional principal payments resulting in the bonds being retired in less than 40 years. The bonds are secured by the revenues generated by the sewer system and mortgage upon the sewer system. The Village has agreed to set sewer rates sufficient to cover the debt service requirements. As required by the mortgage revenue covenant, the Village has established and funded a Sewer Debt Sinking Fund and Sewer Debt Reserve Fund.

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

Year	OWDA Loan		OPWC Loans	USDA Bonds	
	Principal	Interest	Principal	Principal	Interest
2013	\$ 26,439	\$ 1,948	\$ 11,575	\$ 12,800	\$ 26,757
2014	27,024	1,364	11,575	13,300	26,181
2015	27,621	765	11,575	14,000	25,582
2016	14,038	154	11,575	14,600	24,952
2017	-	-	11,575	15,200	24,275
2018-2022	-	-	57,878	87,100	110,553
2023-2027	-	-	-	108,600	89,105
2028-2032	-	-	-	135,300	62,374
2033-2037	-	-	-	168,700	29,062
2038-2042	-	-	-	24,991	1,125
Total	\$ 95,122	\$ 17,623	\$ 115,751	\$ 594,591	\$ 419,966

11. INTERFUND TRANSFERS

During 2012 the following transfers were made:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 825
Municipal Building Project Fund	825	
Totals	\$ 825	\$ 825

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

11. INTERFUND TRANSFERS (Continued)

During 2011 the following transfers were made:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,286
Municipal Building Project Fund	1,286	
Totals	\$ 1,286	\$ 1,286

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

12. FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and in all other governmental funds for 2012 are presented below:

Fund Balances	General Fund	Street Fund	Fire Fund	Police Fund
Restricted for				
Road Maintenance	\$ -	\$ 36,926	\$ -	\$ -
Fire Operations	-	-	24,591	-
Police Operations	-	-	-	5,831
Debt Service	-	-	-	-
Issue II Projects	-	-	-	-
Total Restricted	-	36,926	24,591	5,831
Committed				
Building Fund	-	-	-	-
Total Committed	-	-	-	-
Unassigned	106,866	-	-	-
Total	\$ 106,866	\$ 36,926	\$ 24,591	\$ 5,831

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

12. FUND BALANCES (Continued)

Fund Balances	Special Assessment DS Fund	Municipal Building Project Fund	Other Governmental Funds	Total
Restricted for				
Road Maintenance	\$ -	\$ -	\$ 6,191	\$ 43,117
Fire Operations	-	-	-	24,591
Police Operations	-	-	-	5,831
Debt Service	4,052	-	-	4,052
Issue II Projects	-	-	9,094	9,094
Total Restricted	<u>4,052</u>	<u>-</u>	<u>15,285</u>	<u>86,685</u>
Committed				
Building Fund	-	39,900	-	39,900
Total Committed	<u>-</u>	<u>39,900</u>	<u>-</u>	<u>39,900</u>
Unassigned				
	-	-	-	106,866
Total	<u>\$ 4,052</u>	<u>\$ 39,900</u>	<u>\$ 24,591</u>	<u>\$ 233,451</u>

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and in all other governmental funds for 2011 are presented below:

Fund Balances	General Fund	Street Fund	Fire Fund	Police Fund
Restricted for				
Road Maintenance	\$ -	\$ 16,111	\$ -	\$ -
Fire Operations	-	-	45,331	-
Police Operations	-	-	-	2,845
Debt Service	-	-	-	-
Total Restricted	<u>-</u>	<u>16,111</u>	<u>45,331</u>	<u>2,845</u>
Committed				
Building Fund	-	-	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned				
	<u>13,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,274</u>	<u>\$ 16,111</u>	<u>\$ 45,331</u>	<u>\$ 2,845</u>

**VILLAGE OF SENECAVILLE
GUERNSEY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

12. FUND BALANCES (Continued)

<u>Fund Balances</u>	Special Assessment DS Fund	Municipal Building Project Fund	Issue II Funds	Other Governmental Funds
Restricted for				
Road Maintenance	\$ -	\$ -	\$ -	\$ 5,593
Fire Operations	-	-	-	-
Police Operations	-	-	-	-
Debt Service	6,819	-	-	-
Issue II Projects	-	-	4,860	-
Total Restricted	<u>6,819</u>	<u>-</u>	<u>4,860</u>	<u>5,593</u>
Committed				
Building Fund	-	39,075	-	-
Total Committed	<u>-</u>	<u>39,075</u>	<u>-</u>	<u>-</u>
Unassigned				
	-	-	-	-
Total	<u>\$ 6,819</u>	<u>\$ 39,075</u>	<u>\$ 24,591</u>	<u>\$ 233,451</u>

<u>Fund Balances</u>	<u>Total</u>
Restricted for	
Road Maintenance	\$ 21,704
Fire Operations	45,331
Police Operations	2,845
Debt Service	6,819
Issue II Projects	4,860
Total Restricted	<u>81,559</u>
Committed	
Building Fund	<u>39,075</u>
Total Committed	<u>39,075</u>
Unassigned	
	<u>13,724</u>
Total	<u>\$ 134,358</u>

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Village of Senecaville
Guernsey County
201 High Street
Senecaville, Ohio 43780

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and The Comptroller General of the United States' Government Auditing Standards, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Senecaville as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated March 11, 2013, wherein we noticed the Village uses a special purpose framework other than generally accepted accounting principles. As stated in Note 3, the Village has implemented GASB Statement No.54 "*Fund balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 63, "*Financing Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" during 2012 and 2011.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village of Senecaville's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether Village of Senecaville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
March 11, 2013



Dave Yost • Auditor of State

VILLAGE OF SENECAVILLE

GUERNSEY 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
JUNE 11, 2013**