



**Auditor of State  
Betty Montgomery**



VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2004 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types - For the Year Ended December 31, 2004 .....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003 .....	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types - For the Year Ended December 31, 2003 .....	8
Notes to the Financial Statements .....	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	19
Schedule of Findings.....	21
Schedule of Prior Audit Findings.....	27

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

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

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

December 16, 2005

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Roseville, Muskingum County, Ohio (the Village), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Roseville as of December 31, 2004, or its changes in financial position or cash flows of its proprietary funds for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Roseville, Muskingum County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

December 16, 2005



**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$54,284	\$28,034	\$0	\$0	\$82,318
Municipal Income Taxes		129,954			129,954
Intergovernmental Receipts	53,109	66,731		37,441	157,281
Charges for Services	61,497	42,233		54,816	158,546
Fines, Licenses, and Permits	14,701	633			15,334
Earnings on Investments	9,240	378			9,618
Miscellaneous	3,951	31,983			35,934
<b>Total Cash Receipts</b>	<b>196,782</b>	<b>299,946</b>	<b>0</b>	<b>92,257</b>	<b>588,985</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	153,384				153,384
Public Health Services		46,839			46,839
Leisure Time Activities		29,192			29,192
Transportation		47,523			47,523
General Government	52,519	84,175			136,694
Debt Service:					
Principal Payments	6,511	32,446	3,615		42,572
Interest Payments	432	3,839	1,221		5,492
Capital Outlay	1,378	6,805		116,518	124,701
<b>Total Cash Disbursements</b>	<b>214,224</b>	<b>250,819</b>	<b>4,836</b>	<b>116,518</b>	<b>586,397</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(17,442)</b>	<b>49,127</b>	<b>(4,836)</b>	<b>(24,261)</b>	<b>2,588</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	20,800	18,743	4,836		44,379
Transfers-Out		(44,379)		0	(44,379)
Other Financing Disbursements		(706)			(706)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>20,800</b>	<b>(26,342)</b>	<b>4,836</b>	<b>0</b>	<b>(706)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>3,358</b>	<b>22,785</b>	<b>0</b>	<b>(24,261)</b>	<b>1,882</b>
Fund Cash Balances, January 1	19,747	157,755	1,793	167,104	346,399
<b>Fund Cash Balances, December 31</b>	<b>\$23,105</b>	<b>\$180,540</b>	<b>\$1,793</b>	<b>\$142,843</b>	<b>\$348,281</b>
Reserves for Encumbrances, December 31	\$0	\$14,865	\$0	\$15,520	\$30,385

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$549,098	\$9,988	\$0	\$559,086
Earnings on Investments		139		139
Total Operating Cash Receipts	<u>549,098</u>	<u>10,127</u>	<u>0</u>	<u>559,225</u>
<b>Operating Cash Disbursements:</b>				
Personal Services	255,408			255,408
Contractual Services	126,218			126,218
Supplies and Materials	20,468			20,468
Capital Outlay	34,157	1,144		35,301
Total Operating Cash Disbursements	<u>436,251</u>	<u>1,144</u>	<u>0</u>	<u>437,395</u>
Operating Income/(Loss)	<u>112,847</u>	<u>8,983</u>	<u>0</u>	<u>121,830</u>
<b>Non-Operating Cash Receipts:</b>				
Intergovernmental Receipts	34,764			34,764
Other Non-Operating Receipts	7,210		15,067	22,277
Total Non-Operating Cash Receipts	<u>41,974</u>	<u>0</u>	<u>15,067</u>	<u>57,041</u>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service				
Principal Payments	62,684			62,684
Interest and Other Fiscal Charges	111,463			111,463
Other Non-Operating Cash Disbursements			14,095	14,095
Total Non-Operating Cash Disbursements	<u>174,147</u>	<u>0</u>	<u>14,095</u>	<u>188,242</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers and Advances	(19,326)	8,983	972	(9,371)
Transfers-In	42,500			42,500
Transfers-Out	(42,500)			(42,500)
Net Cash Receipts Over/(Under) Cash Disbursements	(19,326)	8,983	972	(9,371)
Fund Cash Balances, January 1	<u>452,884</u>	<u>71,406</u>		<u>524,290</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$433,558</u></b>	<b><u>\$80,389</u></b>	<b><u>\$972</u></b>	<b><u>\$514,919</u></b>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$58,397	\$29,519	\$0	\$0	\$87,916
Municipal Income Taxes		133,673			133,673
Intergovernmental Receipts	54,200	59,459		86,930	200,589
Charges for Services	44,716	32,290		98,286	175,292
Fines, Licenses, and Permits	16,547	185			16,732
Earnings on Investments	8,315	542			8,857
Miscellaneous	6,929	19,388			26,317
<b>Total Cash Receipts</b>	<b>189,104</b>	<b>275,056</b>	<b>0</b>	<b>185,216</b>	<b>649,376</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	145,539				145,539
Public Health Services		44,761			44,761
Leisure Time Activities		2,582			2,582
Transportation		45,045			45,045
General Government	53,663	112,475			166,138
Debt Service:					
Principal Payments	6,200	33,382	3,373		42,955
Interest Payments	839	5,758	1,463		8,060
Capital Outlay	896	21,529		109,886	132,311
<b>Total Cash Disbursements</b>	<b>207,137</b>	<b>265,532</b>	<b>4,836</b>	<b>109,886</b>	<b>587,391</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(18,033)	9,524	(4,836)	75,330	61,985
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	47,931	24,690	4,836		77,457
Advances-In				8,000	8,000
Transfers-Out	(43,431)	(34,026)		(43,431)	(120,888)
Advances-Out		(8,000)			(8,000)
Other Financing Disbursements		(3,949)			(3,949)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>4,500</b>	<b>(21,285)</b>	<b>4,836</b>	<b>(35,431)</b>	<b>(47,380)</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,533)	(11,761)	0	39,899	14,605
Fund Cash Balances, January 1	33,280	169,516	1,793	127,205	331,794
<b>Fund Cash Balances, December 31</b>	<b>\$19,747</b>	<b>\$157,755</b>	<b>\$1,793</b>	<b>\$167,104</b>	<b>\$346,399</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0	\$0	\$0

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Proprietary Fund Type	Fiduciary Fund Types		Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	Agency	
<b>Operating Cash Receipts:</b>				
Charges for Services	\$593,265	\$7,975	\$0	\$601,240
Earnings on Investments		289		289
<b>Total Operating Cash Receipts</b>	<b>593,265</b>	<b>8,264</b>	<b>0</b>	<b>601,529</b>
<b>Operating Cash Disbursements:</b>				
Personal Services	249,371			249,371
Contractual Services	123,396			123,396
Supplies and Materials	30,525			30,525
Capital Outlay	46,883			46,883
<b>Total Operating Cash Disbursements</b>	<b>450,175</b>	<b>0</b>	<b>0</b>	<b>450,175</b>
Operating Income/(Loss)	143,090	8,264	0	151,354
<b>Non-Operating Cash Receipts:</b>				
Intergovernmental Receipts	37,805			37,805
Proceeds from Notes and Bonds	12,261			12,261
Other Non-Operating Receipts	3,800	24	18,935	22,759
<b>Total Non-Operating Cash Receipts</b>	<b>53,866</b>	<b>24</b>	<b>18,935</b>	<b>72,825</b>
<b>Non-Operating Cash Disbursements:</b>				
Debt Service				
Principal Payments	62,919			62,919
Interest and Other Fiscal Charges	116,024			116,024
Other Non-Operating Cash Disbursements			18,935	18,935
<b>Total Non-Operating Cash Disbursements</b>	<b>178,943</b>	<b>0</b>	<b>18,935</b>	<b>197,878</b>
Excess of Cash Receipts Over/(Under) Cash Disbursements Before Interfund Transfers and Advances	18,013	8,288	0	26,301
Transfers-In	63,431			63,431
Transfers-Out	(20,000)			(20,000)
<b>Net Cash Receipts Over/(Under) Cash Disbursements</b>	<b>61,444</b>	<b>8,288</b>	<b>0</b>	<b>69,732</b>
Fund Cash Balances, January 1	391,440	63,118		454,558
<b>Fund Cash Balances, December 31</b>	<b>\$452,884</b>	<b>\$71,406</b>	<b>\$0</b>	<b>\$524,290</b>
Reserve for Encumbrances, December 31	\$0	\$0	\$0	\$0

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Basis of Accounting**

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

These statements adequately disclose material matters the Auditor of State prescribes.

**C. Cash and Investments**

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

Money market mutual funds (including STAROhio) are recorded at share values the mutual fund reports.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

Roseville Cemetery Fund -This fund receives tax levy proceeds and fees to fund operations and upkeep of the Cemetery.

Fire Levy Fund – This fund receives tax levy proceeds for offsetting the costs of fire protection.

Income Tax Fund – This fund receives municipal income tax funds to cover the costs of refunds, supplies and materials, and personal services and to transfer proceeds to other funds as directed by Village Council.

**3. Debt Service Funds**

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

Municipal Building Bond Retirement Fund – This fund is used to accumulate resources for the repayment of bond indebtedness used to finance the renovation of the municipal building.

**4. Capital Project Funds**

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

Water Well Improvement Fund - This fund is used to account for receipts and disbursements restricted for a water well improvement project partially funded with Issue II monies from the Ohio Public Works Commission.

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

**5. Enterprise Funds**

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**5. Enterprise Funds (Continued)**

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

Sanitary Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Regional Sewer Fund - This fund receives charges for services from residents to cover sewer service costs associated with the regional sewer district.

**6. Fiduciary Funds (Trust and Agency Funds)**

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

Mayor's Court – This fund receives and distributes Mayor's Court fines and forfeitures and is classified as an agency fund.

Rose Hill Cemetery Perpetual Care Fund – This nonexpendable trust fund receives a portion of the proceeds from the sale of lots whereby the interest earned is used for the perpetual care of the cemetery.

Roseville Cemetery Perpetual Care Fund – This nonexpendable trust fund receives a portion of proceeds from the sale of lots whereby the interest earned is used for the perpetual care of the cemetery.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2004	2003
Demand deposits	\$183,305	\$175,390
Total deposits	183,305	175,390
 STAROhio	 0	 540,123
Money market mutual funds	679,895	155,176
Total investments	679,895	695,299
Total deposits and investments	\$863,200	\$870,689

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

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



**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$200,800	\$217,582	\$16,782
Special Revenue	262,277	318,689	56,412
Debt Service	4,836	4,836	0
Capital Projects	175,862	92,257	(83,605)
Enterprise	657,815	633,572	(24,243)
Fiduciary	6,500	10,127	3,627
Total	\$1,308,090	\$1,277,063	(\$31,027)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$225,268	\$214,224	\$11,044
Special Revenue	355,858	310,769	45,089
Debt Service	4,836	4,836	0
Capital Projects	122,546	132,038	(9,492)
Enterprise	817,194	652,898	164,296
Fiduciary	1,500	1,144	356
Total	\$1,527,202	\$1,315,909	\$211,293

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$245,615	\$237,035	(\$8,580)
Special Revenue	277,778	299,746	21,968
Debt Service	4,836	4,836	0
Capital Projects	87,969	185,216	97,247
Enterprise	720,218	710,562	(9,656)
Fiduciary	7,000	8,288	1,288
Total	\$1,343,416	\$1,445,683	\$102,267

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$270,137	\$250,568	\$19,569
Special Revenue	396,299	303,507	92,792
Debt Service	4,836	4,836	0
Capital Projects	79,196	153,317	(74,121)
Enterprise	841,914	649,118	192,796
Fiduciary	0	0	0
Total	\$1,592,382	\$1,361,346	\$231,036

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Water Well Improvement Fund by \$104,276 for the year ended December 31, 2003.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Permissive License Tax Fund by \$13,064 and in the Street Repaving Fund by \$14,285 for the year ended December 31, 2004.

**4. PROPERTY TAX**

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

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

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on the Village's behalf.

**5. LOCAL INCOME TAX**

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

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**6. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds - Municipal Building	\$15,615	7.00%
General Obligation Note - Slope Mower Loan	8,997	4.00%
Fire Pump Truck Lease - Purchase	34,312	5.75%
Sewer Mortgage Revenue Bonds - Series 1989	874,000	5.00%
Sewer Mortgage Revenue Bonds - Series 1994	107,000	4.50%
Ohio Public Works Commission Loan	121,253	0.02%
OWDA Loan - Water Treatment Plant (1995)	845,307	6.56%
OWDA Loan - Water Pollution Control (1999)	152,806	2.20%
Total	<u>\$2,159,290</u>	

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

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

The Sewer Mortgage Revenue Bonds were issued to finance sewer system capital improvements. The assets and revenues of the sewer utility are pledged for the repayment of these obligations. The Series 1989 bonds will be repaid in annual installments ranging from \$62,000 to \$64,000, plus interest, and are due in 2028. Interest is paid in annual installments at five percent of the outstanding balance. The Series 1994 bonds will be repaid in annual installments ranging from \$6,000 to \$8,000, plus interest, and are due in 2034. The bond covenant requires the Village to establish and fund a debt service reserve fund, which is included within the enterprise funds on the accompanying financial statements. The balance in the fund at December 31, 2004 is \$67,602.

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

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**6. DEBT (Continued)**

Amortization of the above debt, including interest, follows:

Year ending December 31:	General Obligation Bonds	General Obligation Note	OWDA Loans	OPWC Loan	Mortgage Revenue Bonds
2005	\$4,836	\$2,688	\$98,144	\$9,136	\$70,515
2006	4,836	2,688	98,144	9,136	70,425
2007	4,836	2,688	98,144	9,136	70,285
2008	3,224	1,568	98,144	9,136	70,195
2009			98,144	9,136	6,455
2010-2014			490,720	45,680	31,925
2015-2019			477,968	45,680	33,000
2020-2024			128,101	4,568	33,355
2025-2029					32,765
2030-2034					33,005
Total	<u>\$17,732</u>	<u>\$9,632</u>	<u>\$1,587,509</u>	<u>\$141,608</u>	<u>\$451,925</u>

**7. LEASE OBLIGATION**

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

**8. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

**9. RISK MANAGEMENT**

**Risk Pool Membership**

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

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**9. RISK MANAGEMENT (Continued)**

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,547,049	\$25,288,098
Liabilities	(16,989,918)	(12,872,985)
Retained earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$3,652,970	\$3,158,813
Liabilities	(544,771)	(792,061)
Retained earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

**10. CONTINGENT LIABILITIES**

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

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

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

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

To the Village Council:

We have audited the financial statements of the Village of Roseville, Muskingum County, Ohio (the Village), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated December 16, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2004-001 through 2004-005.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2004-005 listed above to be a material weakness. In a separate letter to the Village's management dated December 16, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2004-001 through 2004-003. In a separate letter to the Village's management dated December 16, 2005 we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Village Council. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 16, 2005



**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation and Reportable Condition**

Ohio Rev. Code Section 5705.41(B) prohibits each subdivision and taxing authority from expending money unless it has been appropriated.

Expenditures exceeded appropriations in the following funds as of December 31:

Fund	Expenditures	Appropriations	Variance
<b>2003</b>			
Water Well Improvement	\$125,915	\$21,639	\$104,276
<b>2004</b>			
Permissive License Tax	\$18,064	\$5,000	\$13,064
Street Repaving	\$18,950	\$4,010	\$14,940

At December 31, 2003, the Water Well Improvement Fund's negative variance existed since appropriations did not exist for either the transfer out of \$43,431 or the expenditure of Issue 2 monies of \$60,845 on the Village's behalf. Prior to Village Council's appropriation amendment, appropriations did include an amount appropriated for the transfer out. Since the decrease in appropriations by Village Council was not posted to the accounting system and since the Village did not record Issue 2 expenditures spent on its behalf, then the accounting system did not indicate that expenditures exceeded appropriations. Finding Number 2004-004 includes additional information concerning the treatment of Issue 2 monies.

At December 31, 2004, budgetary expenditures were adjusted since the Village failed to encumber outstanding purchase commitments for a paving contract. Once budgetary expenditures were adjusted, budgetary expenditures exceeded appropriations.

We recommend the Village Clerk-Treasurer promptly post to the accounting system all appropriations adopted by Village Council and periodically reconcile appropriations posted to the accounting system to those appropriation measures adopted by Village Council.

**FINDING NUMBER 2004-002**

**Noncompliance Citation and Reportable Condition**

Ohio Rev. Code Section 5705.40 provides, in part, that a subdivision may amend or supplement its appropriation measure provided the entity complies with the same provisions of law as are used in making the original appropriation. In addition, Ohio courts have held that a board or officer whose judgment and discretion is required, was chosen because they were deemed fit and competent to exercise that judgment and discretion and unless power to substitute another in their place has been given, such board or officer cannot delegate these duties to another. Following such reasoning, a Village Council would be prohibited from delegating duties statutorily assigned to it, such as the duty of amending appropriations as provided for in Ohio Rev. Code Section 5705.40. See, *C.B. Transportation, Inc. v. Butler County Board of Mental Retardation*, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979); *Burkholder v. Lauber*, 6 Ohio Misc. 152, 216 N.E.2d (C.P. 1965).

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2004-002 (Continued)**

**Noncompliance Citation and Reportable Condition - Ohio Rev. Code Section 5705.40 (Continued)**

Variances existed between the amount approved by the legislative body and the amount posted to the accounting system at December 31 as follows:

<u>Fiscal Year</u>	<u>Fund</u>	<u>Approved Appropriations</u>	<u>Appropriations posted to the accounting system</u>	<u>Variance</u>
2003	Oh. Vol. Fire Assistance Grant Fund	\$18,257	\$25,809	(\$7,552)
2003	Water Well Improvements Fund	\$21,639	\$65,070	(\$43,431)
2003	Water Fund	\$310,816	\$354,247	(\$43,431)
2003	USDA Debt Service Reserve Fund	\$66,966	\$0	\$66,966
2004	General Fund	\$225,268	\$231,868	(\$6,600)
2004	USDA Debt Service Reserve Fund	\$69,290	\$0	\$69,290

Because the information entered into the accounting system was inaccurate, the Village management was unable to effectively monitor budget verses actual activity. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present appropriations approved by the Village Council.

We recommend the Village Council approve all appropriation amendments, record approval in the Council minutes, and file all appropriation amendments with the County Auditor in order to receive confirmation from the County Auditor that appropriations do not exceed estimated resources. The Village Clerk-Treasurer should post these amendments only after the required approvals have been obtained.

**FINDING NUMBER 2004-003**

**Noncompliance Citation and Reportable Condition**

Ohio Rev. Code Section 5705.10 provides, in part, that money paid into any fund shall be used only for the purposes for which such fund is established. The Village received moneys which were posted to the improper funds as follows:

<u>Revenue Type</u>	<u>Fiscal Year</u>	<u>Fund</u>	<u>From</u>	<u>To</u>
Personal property 10 mill exemption	2003	General Fund	(\$207)	
		Roseville Cemetery Fund		\$59
		Fire Levy Fund		\$148
Tax abatement monies	2003	General Fund	(\$222)	
		Roseville Cemetery Fund		\$61
		Fire Levy Fund		\$161

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2004-003 (Continued)**

**Noncompliance Citation and Reportable Condition - Ohio Rev. Code Section 5705.10 (Continued)**

<u>Revenue Type</u>	<u>Fiscal Year</u>	<u>Fund</u>	<u>From</u>	<u>To</u>
Real estate receipts	2003	Roseville Cemetery Fund	(\$4,451)	
		Fire Levy Fund	(\$142)	
		Fire Levy Fund		\$4,451
		Roseville Cemetery Fund		\$142
Homestead and rollback receipts	2003	General Fund	(\$4,328)	
		Fire Levy Fund		\$3,220
		Roseville Cemetery Fund		\$1,108
Personal property 10 mill exemption	2004	General Fund	(\$178)	
		Roseville Cemetery Fund		\$51
		Fire Levy Fund		\$127
		General Fund	(\$2,125)	
Fire department grant	2004	OH Vol. Fire Asst. Grant		\$2,125
Personal property tax settlement	2004	Roseville Cemetery Fund	(\$342)	
		Fire Levy Fund		\$342
Homestead and rollback receipts	2004	General Fund	(\$3,157)	
		Roseville Cemetery Fund		\$812
		Fire Levy Fund		\$2,345
Squad replacement receipts	2004	Rose Hill Cemetery Fund	(\$2,842)	
		Squad Replacement Fund		\$2,842

As a result it was necessary to make adjustments to the financial statements, with which management has agreed, in order for them to correctly identify the sources of the Village's receipts and to account for activity in the appropriate Village funds. Failure to post transactions to the appropriate fund could result in deficit spending by the Village.

We recommend the Village Clerk-Treasurer refer to the applicable supporting documentation and apportionment statements, when the above types of receipts are received, to ensure they are posted to the proper funds. In addition, the Village Clerk-Treasurer should refer to the Village Officer's Handbook for proper classification of receipts and take additional care in posting receipts in order to ensure the Village's monthly reports and year-end financial statements reflect the appropriate sources of the Village's receipts.

**FINDING NUMBER 2004-004**

**Reportable Condition**

The Village received grant funding from the Ohio Public Works Commission during 2003 for water well improvements. These funds were disbursed directly from the Commission to the applicable contractors. However, these "on-behalf-of" payments were not recorded by the Village.

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
--

**FINDING NUMBER 2004-004 (Continued)**

**Reportable Condition (Continued)**

Auditor of State Bulletin 2002-004 requires each local government that participates in the Ohio Public Works Commission Issue 2 Funds to establish a capital projects fund to account for the project's transactions. Local governments are required to account for and budget the related revenues and expenditures to the extent the local government has received benefit from the project.

As a result, cash receipts and disbursements as reported in the Village's financial statements were each understated by \$60,845. Adjustments, with which management agreed, were posted to the financial statements in order to reflect this activity.

We recommend the Village record the cash value benefit of these types of programs, when the Village has applied or entered into agreements for these sources of funds, as memorandum receipts and disbursements, in the year "on-behalf-of" disbursements are made. In addition, when such a grant is awarded, the Village must amend budgeted receipts for all or part of the program based upon the date when cash disbursements are expected to be made on the Village's behalf. Furthermore, once budgeted receipts have been amended, the Village Council should pass a resolution amending its appropriation measure.

**FINDING NUMBER 2004-005**

**Material Weakness**

During the audit period, the Village Fiscal Officer did not accurately post budgeted receipts to the accounting system. As suggested in Ohio Admin. Code Section 117-2-02(C)(1), each public office should design its accounting system to provide ongoing and timely information on unrealized budgetary receipts. This can be accomplished by integrating the budgetary accounts, at the legal level of control or lower, into the financial accounting system. Variances existed between the amounts on the certificate of estimated resources and the amounts posted to the accounting system as follows:

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**FINDING NUMBER 2004-005 (Continued)**

**Material Weakness (Continued)**

<b>Fiscal Year</b>	<b>Fund</b>	<b>Budgeted Receipts per the accounting system</b>	<b>Budgeted Receipts per the Final Certificate of Estimated Resources</b>	<b>Variance</b>
2003	General Fund	\$188,555	\$245,615	(\$57,060)
2003	Street Construction, Maintenance, & Repair Fund	\$42,200	\$53,200	(\$11,000)
2003	Park and Pool Fund	\$17,950	\$31,000	(\$13,050)
2003	Permissive License Tax Fund	\$7,250	\$7,500	(\$250)
2003	Drug Law Enforcement Fund	\$50	\$0	\$50
2003	Roseville Cemetery Fund	\$9,300	\$9,759	(\$459)
2003	Rose Hill Cemetery Fund	\$25,090	\$25,000	\$90
2003	Fire Levy Fund	\$20,200	\$29,818	(\$9,618)
2003	Squad Replacement Fund	\$40,000	\$85,000	(\$45,000)
2003	OH Vol. Fire Assistance Fund	\$0	\$1,400	(\$1,400)
2003	Water Well Improvements Fund	\$0	(\$43,431)	\$43,431
2003	Water Fund	\$280,000	\$320,531	(\$40,531)
2003	FHMA Bond Retirement Fund	\$68,000	\$69,900	(\$1,900)
2003	DSR/ER Fund	\$11,250	\$12,000	(\$750)
2003	Regional Sewer Fund	\$58,000	\$110,000	(\$52,000)
2003	Septage Fund	\$27,150	\$25,000	\$2,150
2003	Issue II Debt Service Fund	\$9,000	\$9,137	(\$137)
2003	OWDA Debt Service Fund	\$12,000	\$12,750	(\$750)
2003	Flood Control Fund	\$0	\$900	(\$900)
2003	Roseville Cemetery Trust Fund	\$5,030	\$1,000	\$4,030
2003	Rose Hill Cemetery Perpetual Care Fund	\$2,500	\$6,000	(\$3,500)
2004	General Fund	\$153,561	\$200,800	(\$47,239)
2004	Street Construction, Maintenance, & Repair Fund	\$47,825	\$44,000	\$3,825
2004	Park and Pool Fund	\$7,750	\$29,400	(\$21,650)
2004	Permissive License Tax Fund	\$7,835	\$7,500	\$335
2004	Drug Law Enforcement Fund	\$400	\$350	\$50
2004	Roseville Cemetery Fund	\$13,275	\$7,930	\$5,345
2004	Rose Hill Cemetery Fund	\$30,090	\$25,000	\$5,090
2004	Fire Levy Fund	\$18,050	\$23,097	(\$5,047)

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

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

**FINDING NUMBER 2004-005 (Continued)**

**Material Weakness (Continued)**

<b>Fiscal Year</b>	<b>Fund</b>	<b>Budgeted Receipts per the accounting system</b>	<b>Budgeted Receipts per the Final Certificate of Estimated Resources</b>	<b>Variance</b>
2004	Squad Replacement Fund	\$35,000	\$25,000	\$10,000
2004	OH Vol. Fire Assistance Fund	\$0	\$17,802	(\$17,802)
2004	Local Income Tax Fund	\$130,000	\$125,000	\$5,000
2004	Water Fund	\$284,000	\$280,000	\$4,000
2004	Sanitary Sewer Fund	\$150,000	\$154,000	(\$4,000)
2004	FHMA Bond Retirement Fund	\$67,800	\$70,590	(\$2,790)
2004	Regional Sewer Fund	\$58,000	\$83,550	(\$25,550)
2004	Septage Fund	\$10,500	\$12,000	(\$1,500)
2004	Issue II Debt Service Fund	\$9,000	\$9,137	(\$137)
2004	OWDA Debt Service Fund	\$12,700	\$12,750	(\$50)
2004	USDA Debt Service Reserve Fund	\$0	\$1,688	(\$1,688)
2004	Flood Control Fund	\$4,000	\$4,800	(\$800)
2004	Roseville Cemetery Trust Fund	\$525	\$500	\$25
2004	Rose Hill Cemetery Perpetual Care Fund	\$12,200	\$6,000	\$6,200

Because the information entered into the accounting system was inaccurate, the Village management was unable to effectively monitor budget verses actual activity. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present the certified amount of estimated receipts.

We recommend the Village Fiscal Officer record estimated receipts directly from the certificate of estimated resources and any amendments thereto. This would ensure useful comparisons of estimated to actual receipts to be made throughout the year and help indicate when an increased or decreased amended certificate should be obtained.

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-001	Ohio Rev. Code Section 5705.15 – The Village illegally transferred monies from the Permissive License Tax Fund to the Street Repaving Fund.	Yes.	Corrected.
2002-002	Ohio Rev. Code Section 5705.41(D) – Village expenditures were not always certified by the Fiscal Officer prior to commitment.	No.	Repeated in the management letter.
2002-003	Material Weakness – Numerous receipt transactions were misclassified and estimated resources amendments were not properly posted to the accounting system.	No.	Repeated in the current audit as finding number 2004-005.
2002-004	Material Weakness – The Village did not record grant proceeds from Issue II funding paid directly to the contractor by the grantor.	No.	Repeated in the current audit as finding number 2004-004.







**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 30, 2005**