

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



Mary Taylor, CPA
Auditor of State

Village Council
Village of Senecaville
201 High St.
PO Box 5
Senecaville, Ohio 43780

We have reviewed the *Independent Accountants' Report* of the Village of Senecaville, Guernsey County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in referene 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 30, 2007

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**Village of Senecaville
Guernsey County**

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Guernsey County**

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Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

June 28, 2007

Village of Senecaville
Guernsey County
201 High Street
P.O. Box 5
Senecaville, Ohio 43780

To the Village Council:

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2007, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
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, 2006 and 2005, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights are as follows:

2006

- Net assets of governmental activities increased \$29,932, or 8 percent in 2006.
- The Village's general receipts are primarily property tax and local government. These receipts represent 20 and 13 percent, respectively, of the total cash received for governmental activities during the year. The Village received less property tax and local government receipts for 2006, which was due to no inheritance tax and no FEMA monies as compared to 2005.
- Miscellaneous receipts increased due to insurance money from a wrecked fire truck.
- The Village changed to a new sweep account, and the interest earned was much greater, 42 percent over 2005.
- The sewer operation had revenues exceeding expenditures by \$14,503.

2005

- Net assets of governmental activities increased \$1,276, less than 2 percent, which is not much of a change from the prior year.
- The Village's general receipts are primarily property and local government. These receipts represent respectively 23 and 18 percent of the total cash received for governmental activities during the year. Property and local government receipts for 2005 changed very little compared to 2004.
- The sewer operation broke even.

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 Government's cash basis of accounting.

Report Components

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

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

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

Basis of Accounting

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
Unaudited

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

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

Reporting the Government as a Whole

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

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

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

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

Business-type activities. The Village provides sewer service. The Village charges fees to recoup the cost of the entire sewer operation, as well as all capital expenses associated with these facilities and equipment.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into 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 non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
Unaudited

Reporting the Village's Most Significant Funds (Continued)

The Village's major governmental funds are General Fund, Street Construction, Maintenance and Repair Fund, Fire Fund, Police Fund, Special Assessment Debt Service Fund and the Municipal Building Capital Projects Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements, if necessary.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village's enterprise funds are the sewer operating and sewer debt fund.

The Village as a Whole

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

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Cash and Cash Equivalents	\$ 103,382	\$ 73,450	\$ 376,526	\$ 362,023	\$ 479,908	\$ 435,473
Total Assets	\$ 103,382	\$ 73,450	\$ 376,526	\$ 362,023	\$ 479,908	\$ 435,473
Net Assets						
Restricted for:						
Capital Outlay	\$ 39,458	\$ 28,657	\$ -	\$ -	\$ 39,458	\$ 28,657
Debt Service	6,408	5,713	-	-	6,408	5,713
Other Purposes	36,907	25,662	-	-	36,907	25,662
Unrestricted	20,609	13,418	376,526	362,023	397,135	375,441
Total Net Assets	\$ 103,382	\$ 73,450	\$ 376,526	\$ 362,023	\$ 479,908	\$ 435,473

As mentioned previously, net assets of governmental activities increased \$29,932 or 29 percent during 2006 and only 1 percent from 2004 to 2005. The primary reason contributing to the increase in cash balances in 2006 is the increase in interest income.

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities, business-type activities and total primary government.

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
Unaudited

(Table 2)

Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 30,013	\$ 33,223	\$ 111,597	\$ 121,563	\$ 141,610	\$ 154,786
Operating Grants and Contributions	24,218	22,152	-	-	24,218	22,152
Total Program Receipts	<u>54,231</u>	<u>55,375</u>	<u>111,597</u>	<u>121,563</u>	<u>165,828</u>	<u>176,938</u>
General Receipts:						
Property and Other Local Taxes	38,518	39,975	-	-	38,518	39,975
Grants and Entitlements Not Restricted to Specific Programs	24,105	31,416	-	-	24,105	31,416
Interest	18,341	7,764	-	-	18,341	7,764
Miscellaneous	49,927	35,867	6,388	4,981	56,315	40,848
Total General Receipts	<u>130,891</u>	<u>115,022</u>	<u>6,388</u>	<u>4,981</u>	<u>137,279</u>	<u>120,003</u>
Total Receipts	<u>185,122</u>	<u>170,397</u>	<u>117,985</u>	<u>126,544</u>	<u>303,107</u>	<u>296,941</u>
Disbursements:						
General Government	27,855	26,954	-	-	27,855	26,954
Security of Persons and Property:	68,352	66,555	-	-	68,352	66,555
Public Health Services	39	83	-	-	39	83
Leisure Time Activities	216	72	-	-	216	72
Transportation	30,252	37,616	-	-	30,252	37,616
Capital Outlay	90	9,455	-	-	90	9,455
Principal Retirement	22,683	22,193	20,975	20,576	43,658	42,769
Interest and Fiscal Charges	5,703	6,193	34,195	36,910	39,898	43,103
Sewer	-	-	48,312	68,495	48,312	68,495
Total Disbursements	<u>155,190</u>	<u>169,121</u>	<u>103,482</u>	<u>125,981</u>	<u>258,672</u>	<u>295,102</u>
Increase (Decrease) in Net Assets	29,932	1,276	14,503	563	44,435	1,839
Net Assets, January 1	<u>73,450</u>	<u>72,174</u>	<u>362,023</u>	<u>361,460</u>	<u>435,473</u>	<u>433,634</u>
Net Assets, December 31	<u>\$ 103,382</u>	<u>\$ 73,450</u>	<u>\$ 376,526</u>	<u>\$ 362,023</u>	<u>\$ 479,908</u>	<u>\$ 435,473</u>

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
Unaudited

Governmental Activities

In 2006 and 2005, program receipts represent only 29 and 32 percent, respectively, of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money and contract receipts for police and fire services.

General receipts represent 71 and 68 percent of the Village's total receipts for 2006 and 2005, respectively. General receipts consist of property taxes, state and federal grants and entitlements and miscellaneous receipts. The miscellaneous receipts are unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, fiscal officer, as well as internal services such as payroll and purchasing.

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

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 2006, receipts exceeded expenditures increasing net assets by \$14,503. During 2005, receipts just exceeded expenses with a resulting \$563 change in net assets.

If you look at the Statements of Activities on pages 10 and 20, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for transportation and security of persons and property, which account for 19 and 44 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 18 percent. The next two 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 that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the 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 services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2006	2005	2006	2005
General Government	\$ 27,855	\$ 26,954	\$ (10,242)	\$ (7,031)
Security of Persons and Property	68,352	66,555	(55,952)	(53,255)
Public Health Services	39	83	(39)	(83)
Leisure Time Activities	216	72	(216)	(72)
Transportation	30,252	37,616	(30,252)	(15,464)
Capital Outlay	90	9,455	24,128	(9,455)
Principal Retirement	22,683	22,193	(22,683)	(22,193)
Interest and Fiscal Charges	5,703	6,193	(5,703)	(6,193)
Total Expenses	\$ 155,190	\$ 169,121	\$ (100,959)	\$ (113,746)

Village of Senecaville
Guernsey County
Management's Discussion and Analysis
For the Year's Ended December 31, 2006 and 2005
Unaudited

The dependence upon property tax is apparent as over 25 percent in 2006 and 23 percent in 2005 of governmental activities are supported through these general receipts.

The Government's Funds

In 2006 and 2005 total governmental funds had receipts of \$185,122 and \$170,397, respectively, and disbursements of \$155,190 and 169,121. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$7,191 in 2006 as the result of interest paid by a new sweep account.

General Fund receipts were more than disbursements indicating that the General Fund is not in a deficit spending situation.

General Fund Budgeting Highlights

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

During 2006, the Government amended its General Fund budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts were not significant.

For 2006, final disbursements were budgeted at \$58,676 while actual disbursements were \$38,678. For 2005, final disbursements were budgeted at \$50,325 while actual disbursements were \$37,496.

Debt Administration

At December 31, 2006, the Government's outstanding debt included \$242,160 in a loan payable for assessment of a defaulted sewer system, and \$929,905 in sewer debt for the lagoon plant and lift stations. For further information regarding the Village's debt, refer to Note 9.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local government and have no industry to support the tax base. We reviewed our sources of revenue and determined that increases were unlikely.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Debra Stiers, Fiscal Officer, Village of Senecaville, 201 High St. Rear, PO Box 5, Senecaville, Ohio 43780.

Village of Senecaville
Guernsey County
Statement of Net Assets - Cash Basis
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 103,382	\$ 276,526	\$ 379,908
Investments	-	100,000	100,000
<i>Total Assets</i>	<u>\$ 103,382</u>	<u>\$ 376,526</u>	<u>\$ 479,908</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 39,458	\$ -	\$ 39,458
Debt Service	6,408	-	6,408
Other Purposes	36,907	-	36,907
Unrestricted	<u>20,609</u>	<u>376,526</u>	<u>397,135</u>
<i>Total Net Assets</i>	<u>\$ 103,382</u>	<u>\$ 376,526</u>	<u>\$ 479,908</u>

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

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

	Program Cash Receipts			Net (Disbursements) and Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 27,855	\$ 17,613	\$ -	\$ (10,242)	\$ -	\$ (10,242)
Security of Persons and Property	68,352	12,400	-	(55,952)	-	(55,952)
Public Health Services	39	-	-	(39)	-	(39)
Leisure Time Activities	216	-	-	(216)	-	(216)
Transportation	30,252	-	-	(30,252)	-	(30,252)
Capital Outlay	90	-	24,218	24,128	-	24,128
Debt Service						
Principal	22,683	-	-	(22,683)	-	(22,683)
Interest	5,703	-	-	(5,703)	-	(5,703)
<i>Total Governmental Activities</i>	<u>155,190</u>	<u>30,013</u>	<u>24,218</u>	<u>(100,959)</u>	<u>-</u>	<u>(100,959)</u>
Business-Type Activities						
Sewer Operating	48,312	54,650	-	-	6,338	6,338
Sewer Debt	55,170	56,947	-	-	1,777	1,777
<i>Total Business-Type Activities</i>	<u>103,482</u>	<u>111,597</u>	<u>-</u>	<u>-</u>	<u>8,115</u>	<u>8,115</u>
<i>Total</i>	<u>\$ 258,672</u>	<u>\$ 141,610</u>	<u>\$ 24,218</u>	<u>\$ (100,959)</u>	<u>\$ 8,115</u>	<u>\$ (92,844)</u>
General Receipts						
Property Taxes and Other Taxes				38,518	-	38,518
Grants and Entitlements not Restricted to Specific Programs				24,105	-	24,105
Special Assessments				26,731	-	26,731
Interest				18,341	-	18,341
Miscellaneous				23,196	6,388	29,584
<i>Total General Receipts</i>				<u>130,891</u>	<u>6,388</u>	<u>137,279</u>
Change in Net Assets				29,932	14,503	44,435
<i>Net Assets Beginning of Year</i>				<u>73,450</u>	<u>362,023</u>	<u>435,473</u>
<i>Net Assets End of Year</i>				<u>\$ 103,382</u>	<u>\$ 376,526</u>	<u>\$ 479,908</u>

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

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

	General	Street Construction, Maintenance, and Repair	Fire	Police	Special Assessment Debt Service	Municipal Building Capital Project	Other Governmental	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$ 20,608	\$ 13,113	\$ 21,658	\$ 1,220	\$ 6,408	\$ 30,093	\$ 10,282	\$ 103,382
<i>Total Assets</i>	<u>20,608</u>	<u>13,113</u>	<u>21,658</u>	<u>1,220</u>	<u>6,408</u>	<u>30,093</u>	<u>10,282</u>	<u>103,382</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	-	-	1,468	-	-	-	-	1,468
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	20,608	-	-	-	-	-	-	20,608
Special Revenue Funds	-	13,113	20,190	1,220	-	-	916	35,439
Debt Service Fund	-	-	-	-	6,408	-	-	6,408
Capital Projects Fund	-	-	-	-	-	30,093	9,366	39,459
<i>Total Fund Balances</i>	<u>\$ 20,608</u>	<u>\$ 13,113</u>	<u>\$ 21,658</u>	<u>\$ 1,220</u>	<u>\$ 6,408</u>	<u>\$ 30,093</u>	<u>\$ 10,282</u>	<u>\$ 103,382</u>

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

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

	General	Street Construction Maintenance, and Repair	Fire	Police	Special Assessment Debt Service	Municipal Building Capital Project	Other Governmental	Total Governmental Funds
Receipts								
Property and Other Taxes	\$ 7,109	\$ 8,026	\$ 8,026	\$ 10,228	\$ -	\$ -	\$ -	\$ 33,389
Intergovernmental	20,411	21,870	1,243	1,541	-	-	8,387	53,452
Special Assessments	-	-	-	-	26,731	-	-	26,731
Charges for Services	-	-	12,000	400	-	-	-	12,400
Fines, Licenses and Permits	-	-	-	17,613	-	-	-	17,613
Interest	17,817	524	-	-	-	-	-	18,341
Other	532	94	19,866	354	2,350	-	-	23,196
<i>Total Receipts</i>	<u>45,869</u>	<u>30,514</u>	<u>41,135</u>	<u>30,136</u>	<u>29,081</u>	<u>-</u>	<u>8,387</u>	<u>185,122</u>
Disbursements								
Current:								
General Government	22,798	200	203	4,654	-	-	-	27,855
Security of Persons and Property	9,529	-	30,451	28,372	-	-	-	68,352
Public Health Services	39	-	-	-	-	-	-	39
Leisure Time Activities	216	-	-	-	-	-	-	216
Transportation	-	26,824	-	-	-	-	3,428	30,252
Capital Outlay	-	-	-	-	-	-	90	90
Debt Service:								
Principal Retirement	-	-	-	-	22,683	-	-	22,683
Interest and Fiscal Charges	-	-	-	-	5,703	-	-	5,703
<i>Total Disbursements</i>	<u>32,582</u>	<u>27,024</u>	<u>30,654</u>	<u>33,026</u>	<u>28,386</u>	<u>-</u>	<u>3,518</u>	<u>155,190</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,287</u>	<u>3,490</u>	<u>10,481</u>	<u>(2,890)</u>	<u>695</u>	<u>-</u>	<u>4,869</u>	<u>29,932</u>
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	6,096	-	6,096
Transfers Out	(6,096)	-	-	-	-	-	-	(6,096)
<i>Total Other Financing Sources (Uses)</i>	<u>(6,096)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,096</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>7,191</u>	<u>3,490</u>	<u>10,481</u>	<u>(2,890)</u>	<u>695</u>	<u>6,096</u>	<u>4,869</u>	<u>29,932</u>
<i>Fund Balances Beginning of Year</i>	<u>13,417</u>	<u>9,623</u>	<u>11,177</u>	<u>4,110</u>	<u>5,713</u>	<u>23,997</u>	<u>5,413</u>	<u>73,450</u>
<i>Fund Balances End of Year</i>	<u>\$ 20,608</u>	<u>\$ 13,113</u>	<u>\$ 21,658</u>	<u>\$ 1,220</u>	<u>\$ 6,408</u>	<u>\$ 30,093</u>	<u>\$ 10,282</u>	<u>\$ 103,382</u>

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 6,894	\$ 6,944	\$ 7,109	\$ 165
Intergovernmental	20,033	20,083	20,411	328
Interest	11,000	17,700	17,817	117
Other	250	532	532	-
<i>Total receipts</i>	<u>38,177</u>	<u>45,259</u>	<u>45,869</u>	<u>610</u>
Disbursements				
Current:				
General Government	34,373	42,041	22,798	19,243
Security of Persons and Property	9,274	9,876	9,529	347
Public Health Services	110	110	39	71
Leisure Time Activities	323	553	216	337
<i>Total Disbursements</i>	<u>44,080</u>	<u>52,580</u>	<u>32,582</u>	<u>19,998</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,903)</u>	<u>(7,321)</u>	<u>13,287</u>	<u>20,608</u>
Other Financing Sources (Uses)				
Transfers Out	(7,514)	(6,096)	(6,096)	-
Total Other Financing Sources (Uses)	<u>(7,514)</u>	<u>(6,096)</u>	<u>(6,096)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(13,417)	(13,417)	7,191	20,608
<i>Fund Balance Beginning of Year</i>	13,417	13,417	13,417	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,608</u>	<u>\$ 20,608</u>

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 8,083	\$ 8,083	\$ 8,026	\$ (57)
Intergovernmental	18,593	20,693	21,870	1,177
Interest	230	380	524	144
Other	-	-	94	94
	<u>26,906</u>	<u>29,156</u>	<u>30,514</u>	<u>1,358</u>
<i>Total receipts</i>				
Disbursements				
Current:				
General Government	450	450	200	250
Public Health Services	12	12	-	12
Transportation	36,067	38,317	26,824	11,493
	<u>36,529</u>	<u>38,779</u>	<u>27,024</u>	<u>11,755</u>
<i>Total Disbursements</i>				
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(9,623)</u>	<u>(9,623)</u>	<u>3,490</u>	<u>13,113</u>
<i>Net Change in Fund Balance</i>	(9,623)	(9,623)	3,490	13,113
<i>Fund Balance Beginning of Year</i>	9,623	9,623	9,623	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,113</u>	<u>\$ 13,113</u>

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

Village of Senecaville
Guernsey County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 7,783	\$ 7,783	\$ 8,026	\$ 243
Intergovernmental	1,298	1,298	1,243	(55)
Charges for Services	12,900	12,900	12,000	(900)
Other	-	19,554	19,866	312
<i>Total receipts</i>	<u>21,981</u>	<u>41,535</u>	<u>41,135</u>	<u>(400)</u>
Disbursements				
Current:				
General Government	1,660	1,645	203	1,442
Security of Persons and Property	31,483	51,052	31,919	19,133
Public Health Services	15	15	-	15
<i>Total Disbursements</i>	<u>33,158</u>	<u>52,712</u>	<u>32,122</u>	<u>20,590</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,177)</u>	<u>(11,177)</u>	<u>9,013</u>	<u>20,190</u>
<i>Net Change in Fund Balance</i>	(11,177)	(11,177)	9,013	20,190
<i>Fund Balance Beginning of Year</i>	8,802	8,802	8,802	-
Prior Year Encumbrances Appropriated	2,375	2,375	2,375	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,190</u>	<u>\$ 20,190</u>

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

Village of Senecaville
Guernsey County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 9,815	\$ 9,815	\$ 10,228	\$ 413
Intergovernmental	1,660	1,660	1,541	(119)
Charges for Services	400	400	400	-
Fines, Licenses and Permits	17,000	17,000	17,613	613
Other	250	250	354	104
<i>Total receipts</i>	<u>29,125</u>	<u>29,125</u>	<u>30,136</u>	<u>1,011</u>
Disbursements				
Current:				
General Government	5,365	4,745	4,654	91
Security of Persons and Property	27,605	28,490	28,372	118
Public Health Services	15	-	-	-
<i>Total Disbursements</i>	<u>32,985</u>	<u>33,235</u>	<u>33,026</u>	<u>209</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,860)</u>	<u>(4,110)</u>	<u>(2,890)</u>	<u>1,220</u>
<i>Net Change in Fund Balance</i>	(3,860)	(4,110)	(2,890)	1,220
<i>Fund Balance Beginning of Year</i>	4,110	4,110	4,110	-
<i>Fund Balance End of Year</i>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 1,220</u>	<u>\$ 1,220</u>

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

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

	Sewer Operating	Sewer Debt	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 206,498	\$ 70,028	\$ 276,526
Investments	100,000	-	100,000
<i>Total Assets</i>	<u>306,498</u>	<u>70,028</u>	<u>376,526</u>
Net Assets			
Unrestricted	306,498	70,028	376,526
<i>Total Net Assets</i>	<u>\$ 306,498</u>	<u>\$ 70,028</u>	<u>\$ 376,526</u>

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

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

	Sewer Operating	Sewer Debt	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$ 54,000	\$ 56,947	\$ 110,947
Other Operating Receipts	650	-	650
<i>Total Operating Receipts</i>	<u>54,650</u>	<u>56,947</u>	<u>111,597</u>
Operating Disbursements			
Personal Services	13,170	-	13,170
Employee Fringe Benefits	2,885	-	2,885
Contractual Services	17,944	-	17,944
Supplies and Materials	5,138	-	5,138
<i>Total Operating Disbursements</i>	<u>39,137</u>	<u>-</u>	<u>39,137</u>
<i>Operating Income (Loss)</i>	<u>15,513</u>	<u>56,947</u>	<u>72,460</u>
Non Operating Receipts (Disbursements)			
Miscellaneous Receipts	6,388	-	6,388
Capital Outlay	(9,175)	-	(9,175)
Principal Payments	-	(20,975)	(20,975)
Interest and Fiscal Charges	-	(34,195)	(34,195)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(2,787)</u>	<u>(55,170)</u>	<u>(57,957)</u>
<i>Change in Net Assets</i>	12,726	1,777	14,503
<i>Net Assets Beginning of Year</i>	<u>293,772</u>	<u>68,251</u>	<u>362,023</u>
<i>Net Assets End of Year</i>	<u>\$ 306,498</u>	<u>\$ 70,028</u>	<u>\$ 376,526</u>

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

Village of Senecaville
Guernsey County
Statement of Net Assets - Cash Basis
December 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 73,450	\$ 262,023	\$ 335,473
Investments	-	100,000	100,000
<i>Total Assets</i>	<u>\$ 73,450</u>	<u>\$ 362,023</u>	<u>\$ 435,473</u>
Net Assets			
Restricted for:			
Capital Projects	\$ 28,657	\$ -	\$ 28,657
Debt Service	5,713	-	5,713
Other Purposes	25,662	-	25,662
Unrestricted	<u>13,418</u>	<u>362,023</u>	<u>375,441</u>
<i>Total Net Assets</i>	<u>\$ 73,450</u>	<u>\$ 362,023</u>	<u>\$ 435,473</u>

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

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

	Program Cash Receipts			Net (Disbursements) and Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 26,954	\$ 19,923	\$ -	\$ (7,031)	\$ -	\$ (7,031)
Security of Persons and Property	66,555	13,300	-	(53,255)	-	(53,255)
Public Health Services	83	-	-	(83)	-	(83)
Leisure Time Activities	72	-	-	(72)	-	(72)
Transportation	37,616	-	22,152	(15,464)	-	(15,464)
Capital Outlay	9,455	-	-	(9,455)	-	(9,455)
Debt Service						
Principal	22,193	-	-	(22,193)	-	(22,193)
Interest	6,193	-	-	(6,193)	-	(6,193)
<i>Total Governmental Activities</i>	<u>\$ 169,121</u>	<u>\$ 33,223</u>	<u>\$ 22,152</u>	<u>\$ (113,746)</u>	<u>\$ -</u>	<u>\$ (113,746)</u>
Business-Type Activities						
Sewer Operating	68,495	64,010	-	-	(4,485)	(4,485)
Sewer Debt	57,485	57,552	-	-	67	67
<i>Total Business-Type Activities</i>	<u>125,980</u>	<u>121,562</u>	<u>-</u>	<u>-</u>	<u>(4,418)</u>	<u>(4,418)</u>
<i>Total</i>	<u>\$ 295,101</u>	<u>154,785</u>	<u>22,152</u>	<u>(113,746)</u>	<u>(4,418)</u>	<u>(118,164)</u>
General Receipts						
Property Taxes and Other Taxes				35,197	-	35,197
Grants and Entitlements not Restricted to Specific Programs				36,658	-	36,658
Special Assessments				27,275	-	27,275
Interest				7,764	-	7,764
Miscellaneous				8,128	4,981	13,109
<i>Total General Receipts</i>				<u>115,022</u>	<u>4,981</u>	<u>120,003</u>
Change in Net Assets				1,276	563	1,839
<i>Net Assets Beginning of Year</i>				<u>72,174</u>	<u>361,460</u>	<u>433,634</u>
<i>Net Assets End of Year</i>				<u>\$ 73,450</u>	<u>\$ 362,023</u>	<u>\$ 435,473</u>

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

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

	General	Street Construction, Maintenance, and Repair	Fire	Police	Special Assessment Debt Service	Other Governmental	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 13,417	\$ 9,623	\$ 11,177	\$ 4,110	\$ 5,713	\$ 29,410	\$ 73,450
<i>Total Assets</i>	<u>13,417</u>	<u>9,623</u>	<u>11,177</u>	<u>4,110</u>	<u>5,713</u>	<u>29,410</u>	<u>73,450</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	-	-	2,375	-	-	-	2,375
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	13,417	-	-	-	-	-	13,417
Special Revenue Funds	-	9,623	8,802	-	-	753	19,178
Debt Service Fund	-	-	-	4,110	5,713	28,657	38,480
<i>Total Fund Balances</i>	<u>\$ 13,417</u>	<u>\$ 9,623</u>	<u>\$ 11,177</u>	<u>\$ 4,110</u>	<u>\$ 5,713</u>	<u>\$ 29,410</u>	<u>\$ 73,450</u>

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

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

	General	Street Construction, Maintenance, and Repair	Fire	Police	Special Assessment Debt Service	Other Governmental	Total Governmental Funds
Receipts							
Property and Other Taxes	\$ 7,696	\$ 7,751	\$ 8,689	\$ 11,061	\$ -	\$ -	\$ 35,197
Intergovernmental	25,093	20,297	1,343	1,672	-	10,405	58,810
Special Assessments	-	-	-	-	27,275	-	27,275
Charges for Services	-	-	12,900	400	-	-	13,300
Fines, Licenses and Permits	-	-	-	19,923	-	-	19,923
Interest	7,514	250	-	-	-	-	7,764
Other	350	1,064	1,000	3,369	2,345	-	8,128
<i>Total Receipts</i>	<u>40,653</u>	<u>29,362</u>	<u>23,932</u>	<u>36,425</u>	<u>29,620</u>	<u>10,405</u>	<u>170,397</u>
Disbursements							
Current:							
General Government	20,432	192	1,239	5,091	-	-	26,954
Security of Persons and Property	8,142	-	26,596	31,817	-	-	66,555
Public Health Services	83	-	-	-	-	-	83
Leisure Time Activities	72	-	-	-	-	-	72
Transportation	-	33,629	-	-	-	3,987	37,616
Capital Outlay	-	-	-	-	-	9,455	9,455
Debt Service:							
Principal Retirement	-	-	-	-	22,193	-	22,193
Interest and Fiscal Charges	-	-	-	-	6,193	-	6,193
<i>Total Disbursements</i>	<u>28,729</u>	<u>33,821</u>	<u>27,835</u>	<u>36,908</u>	<u>28,386</u>	<u>13,442</u>	<u>169,121</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,924</u>	<u>(4,459)</u>	<u>(3,903)</u>	<u>(483)</u>	<u>1,234</u>	<u>(3,037)</u>	<u>1,276</u>
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	8,767	8,767
Transfers Out	(8,767)	-	-	-	-	-	(8,767)
Total Other Financing Sources (Uses)	<u>(8,767)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,767</u>	<u>-</u>
Net Change in Fund Balances	3,157	(4,459)	(3,903)	(483)	1,234	5,730	1,276
<i>Fund Balances Beginning of Year</i>	<u>10,260</u>	<u>14,082</u>	<u>15,080</u>	<u>4,593</u>	<u>4,479</u>	<u>23,680</u>	<u>72,174</u>
<i>Fund Balances End of Year</i>	<u>\$ 13,417</u>	<u>\$ 9,623</u>	<u>\$ 11,177</u>	<u>\$ 4,110</u>	<u>\$ 5,713</u>	<u>\$ 29,410</u>	<u>\$ 73,450</u>

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 7,007	\$ 7,007	\$ 7,696	\$ 689
Intergovernmental	20,608	25,408	25,093	(315)
Interest	1,800	7,500	7,514	14
Other	2,950	150	350	200
<i>Total receipts</i>	<u>32,365</u>	<u>40,065</u>	<u>40,653</u>	<u>588</u>
Disbursements				
Current:				
General Government	22,618	32,913	20,432	12,481
Security of Persons and Property	8,029	8,233	8,142	91
Public Health Services	110	110	83	27
Leisure Time Activities	3,101	302	72	230
<i>Total Disbursements</i>	<u>33,858</u>	<u>41,558</u>	<u>28,729</u>	<u>12,829</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,493)</u>	<u>(1,493)</u>	<u>11,924</u>	<u>13,417</u>
Other Financing Sources (Uses)				
Transfers Out	(8,767)	(8,767)	(8,767)	-
Total Other Financing Sources (Uses)	<u>(8,767)</u>	<u>(8,767)</u>	<u>(8,767)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(10,260)	(10,260)	3,157	13,417
<i>Fund Balance Beginning of Year</i>	10,260	10,260	10,260	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,417</u>	<u>\$ 13,417</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 6,199	\$ 7,605	\$ 7,751	\$ 146
Intergovernmental	17,091	18,655	20,297	1,642
Interest	40	230	250	20
Other	-	1,064	1,064	-
<i>Total receipts</i>	<u>23,330</u>	<u>27,554</u>	<u>29,362</u>	<u>1,808</u>
Disbursements				
Current:				
General Government	445	448	192	256
Transportation	36,675	40,896	33,629	7,267
<i>Total Disbursements</i>	<u>37,120</u>	<u>41,344</u>	<u>33,821</u>	<u>7,523</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(13,790)</u>	<u>(13,790)</u>	<u>(4,459)</u>	<u>9,331</u>
<i>Net Change in Fund Balance</i>	(13,790)	(13,790)	(4,459)	9,331
<i>Fund Balance Beginning of Year</i>	14,082	14,082	14,082	-
<i>Fund Balance End of Year</i>	<u>\$ 292</u>	<u>\$ 292</u>	<u>\$ 9,623</u>	<u>\$ 9,331</u>

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

Village of Senecaville
Guernsey County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 7,834	\$ 7,834	\$ 8,689	\$ 855
Intergovernmental	1,181	1,181	1,343	162
Charges for Services	12,900	12,900	12,900	-
Other	-	500	1,000	500
<i>Total receipts</i>	<u>21,915</u>	<u>22,415</u>	<u>23,932</u>	<u>1,517</u>
Disbursements				
Current:				
General Government	1,460	1,462	1,239	223
Security of Persons and Property	35,520	36,018	28,971	7,047
Public Health Services	15	15	-	15
<i>Total Disbursements</i>	<u>36,995</u>	<u>37,495</u>	<u>30,210</u>	<u>7,285</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(15,080)</u>	<u>(15,080)</u>	<u>(6,278)</u>	<u>8,802</u>
<i>Net Change in Fund Balance</i>	(15,080)	(15,080)	(6,278)	8,802
<i>Fund Balance Beginning of Year</i>	15,080	15,080	15,080	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,802</u>	<u>\$ 8,802</u>

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

Village of Senecaville
Guernsey County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Police Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 9,746	\$ 9,746	\$ 11,061	\$ 1,315
Intergovernmental	1,649	1,649	1,672	23
Charges for Services	400	400	400	-
Fines, Licenses and Permits	15,002	19,477	19,923	446
Other	-	2,644	3,369	725
<i>Total receipts</i>	<u>26,797</u>	<u>33,916</u>	<u>36,425</u>	<u>2,509</u>
Disbursements				
Current:				
General Government	3,575	6,025	5,091	934
Security of Persons and Property	26,968	32,469	31,817	652
Public Health Services	15	15	-	15
<i>Total Disbursements</i>	<u>30,558</u>	<u>38,509</u>	<u>36,908</u>	<u>1,601</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,761)</u>	<u>(4,593)</u>	<u>(483)</u>	<u>4,110</u>
<i>Net Change in Fund Balance</i>	(3,761)	(4,593)	(483)	4,110
<i>Fund Balance Beginning of Year</i>	4,593	4,593	4,593	-
<i>Fund Balance End of Year</i>	<u>\$ 832</u>	<u>\$ -</u>	<u>\$ 4,110</u>	<u>\$ 4,110</u>

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

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

	Sewer Operating	Sewer Debt	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 193,772	\$ 68,251	\$ 262,023
Investments	100,000		100,000
<i>Total Assets</i>	<u>293,772</u>	<u>68,251</u>	<u>362,023</u>
Net Assets			
Unrestricted	293,772	68,251	362,023
<i>Total Net Assets</i>	<u>\$ 293,772</u>	<u>\$ 68,251</u>	<u>\$ 362,023</u>

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

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

	Sewer Operating	Sewer Debt	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$ 64,010	\$ 57,553	\$ 121,563
<i>Total Operating Receipts</i>	<u>64,010</u>	<u>57,553</u>	<u>121,563</u>
Operating Disbursements			
Personal Services	15,985	-	15,985
Employee Fringe Benefits	3,196	-	3,196
Contractual Services	20,971	-	20,971
Supplies and Materials	9,550	-	9,550
<i>Total Operating Disbursements</i>	<u>49,702</u>	<u>-</u>	<u>49,702</u>
<i>Operating Income (Loss)</i>	<u>14,308</u>	<u>57,553</u>	<u>71,861</u>
Non Operating Receipts (Disbursements)			
Miscellaneous Receipts	4,981	-	4,981
Capital Outlay	(18,793)	-	(18,793)
Principal Payments	-	(20,576)	(20,576)
Interest and Fiscal Charges	-	(36,910)	(36,910)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(13,812)</u>	<u>(57,486)</u>	<u>(71,298)</u>
<i>Change in Net Assets</i>	496	67	563
<i>Net Assets Beginning of Year</i>	<u>293,276</u>	<u>68,184</u>	<u>361,460</u>
<i>Net Assets End of Year</i>	<u>\$ 293,772</u>	<u>\$ 68,251</u>	<u>\$ 362,023</u>

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

**Village of Senecaville
Guernsey County**

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

Note 1 – Reporting Entity

The Village of Senecaville, Guernsey County, Ohio, 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 six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term and votes only to break a tie.

The reporting entity is comprised of the primary government.

A. Primary Government

The primary government consists of all funds and departments 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.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in the amount to the Village. Based on these criteria, the Village has no component units.

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, 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, in which case GASB prevails. 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 most significant of the Village's accounting policies.

A. 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.

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds 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 non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Village's major governmental funds are:

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

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

Fire Fund The Fire Fund receives fire levy monies to be used by the volunteer fire department for fire protection services of the Village.

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Governmental Funds (continued)

Police Fund The Police Fund receives tax money and fines for providing police protection for the Village.

Special Assessment Debt Service Fund The Special Assessment Debt Service Fund receives special assessment monies for the repayment of debt related to sewer engineering costs.

Municipal Building Capital Projects Fund The Municipal Building Capital Project Fund receives interest monies for the potential construction of a new municipal building.

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

Proprietary Funds

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

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

Sewer Debt Fund The Sewer Debt Fund receives an allocation of sewer revenues for retirement of debt.

C. Basis of Accounting

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

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. 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 sets 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 level for all funds.

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

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 certificated 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 the Village Council during the year.

E. Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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 2006 and 2005 was \$17,817 and \$7,514, respectively.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent certain resources, which are segregated from other resources of the Village to comply with various covenants established by bond and debt financing agreements.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. 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.

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 2 – Summary of Significant Accounting Policies (continued)

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursements for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. 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.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for FEMA and Issue II repairs.

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

M. Fund Balance Reserves

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

M. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Basis of Accounting

In 2004, the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005 and 2006, the Village has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with non-major funds aggregated and presented in a single column, rather than a column for each fund type.

Note 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 all funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as cash disbursements rather than as a reservation of fund balances. The encumbrances outstanding at December 31, 2006 and 2005 amounted to \$1,468 and \$2,375, respectively, for the Fire Fund and \$16,575 and \$9,175, respectively, for the Sewer Operating Fund.

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 5 – Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Village Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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

**Village of Senecaville
Guernsey County**

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

Note 5 – Deposits and Investments (continued)

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end 2006 and 2005, \$390,091 of the bank balance of \$490,091 and \$339,792 of the bank balance of \$439,792, respectively was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

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

Investments At December 31, 2006 and 2005, the Village had two twelve month Certificate of Deposits with National City Bank in the amount of \$50,000 each.

Note 6 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005 on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the years ended December 31, 2005 and 2006, was \$15.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 and 2006 property tax receipts were based are as follows:

**Village of Senecaville
Guernsey County**

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

Note 6 - Property Taxes (continued)

	<u>2006</u>	<u>2005</u>
Real Property:		
Residential	\$ 2,264,340	\$ 2,291,920
Agricultural	2,090	2,090
Commercial/Industrial/Mineral	106,210	104,230
Public Utility Property:		
Real	600	600
Personal	279,010	269,100
Tangible Personal Property	40,180	30,130
Total Assessed Value	<u>\$ 2,692,430</u>	<u>\$ 2,698,070</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

For the years ended December 31, 2006 and 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 and 8.5 percent of their annual covered salaries, respectively. Members participating in the traditional pension plan who were in law enforcement contributed 10 percent of their annual covered salary. Public safety division members for 2005 contributed at 9% and 10.1% for 2006. The Village's contribution rates for pension benefits for 2006 and 2005 were 13.7 percent and 13.55 percent, respectively, except for those plan members in law enforcement or public safety. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$8,568, \$8,938, and \$8779, respectively. The full amount has been contributed for all years. The Village made no contributions to the member-directed plan.

**Village of Senecaville
Guernsey County**

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

Note 8 - Post Employment Benefits

Ohio Public Employees Retirement System

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

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

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

The number of active contributing participants in the traditional and combined plans approximated 376,000. The portion of the Village's contributions for 2006 and 2005 which were used to fund post employment benefits were unavailable. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan. Additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 9 – Debt

The Village's long-term debt activity for the year ended December 31, 2005 and 2006, was as follows:

Name	Interest Rate	Principal Outstanding 12/31/04	Additions	Deductions	Principal Outstanding 12/31/05	Additions	Deductions	Principal Outstanding 12/31/06
Governmental Activities:								
Ohio Water Development Authority Loan	2.20%	\$ 287,036	\$ -	\$ 22,683	\$ 264,353	\$ -	\$ 22,193	\$ 242,160
Business Type Activities:								
Ohio Public Works Commission Loan*	0.00%	202,565	-	11,576	\$ 190,989	-	11,575	179,414
Sanitary Sewer Mortgage Revenue Bonds - USDA**	4.50%	768,891	-	9,000	\$ 759,891	-	9,400	750,491
TOTALS		\$ 1,258,492	\$ -	\$ 43,259	\$ 1,215,233	\$ -	\$ 43,168	\$ 1,172,065

* The December 31, 2004 balance has been restated from \$196,776 per the 2004 report to the correct amount of \$202,565.

** The December 31, 2004 balance has been restated from \$864,000 per the 2004 report to the correct amount of \$768,891.

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 obtained in 2002 relates to improvements to the Village sewer system. The loan will be repaid in semi-annual 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 for the costs of constructing and improvements to the Village's sewer system. The bonds were scheduled to be repaid over 40 years, however, the Village made an additional principal payment in 2004 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 rate 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, Sewer Debt Reserve Fund and a Sewer Surplus Fund.

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

Village of Senecaville
Guernsey County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006 and December 31, 2005

Note 9 – Debt (continued)

The following is a summary of the Village’s future annual debt service requirements:

Year(s) ending December 31,	OWDA Loan	OPWC Loans	USDA Bonds	Total
2007	\$ 28,386	\$ 11,575	\$ 43,572	\$ 83,533
2008	28,386	11,575	43,531	83,492
2009	28,386	11,575	43,672	83,633
2010	28,386	11,575	43,586	83,547
2011	28,386	11,575	43,582	83,543
2012-2016	141,930	57,875	217,927	417,732
2017-2021	-	57,875	217,957	275,832
2022-2026	-	5,789	217,932	223,721
2027-2031	-	-	217,850	217,850
2032-2036	-	-	217,976	217,976
2037-2040	-	-	168,885	168,885
Total	<u>\$ 283,860</u>	<u>\$ 179,414</u>	<u>\$ 1,476,470</u>	<u>\$ 1,939,744</u>

Note 10 – 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. Significant risk of losses is covered by commercial insurance. The Village has not significantly reduced this coverage from the prior year. Claims have not exceeded coverage in any of the past three years.

Note 11 – Interfund Transactions

Interfund transfers from the General Fund consisted of the following, as reported in the fund financial statements:

<u>Year ended December 31,</u>	<u>Transferred to</u>	<u>Amount</u>
2006	Municipal Building Capital Project Fund	\$6,096
2005	Municipal Building Capital Project Fund	\$8,767

Interfund transfers are used to (1) move revenues from the fund that Statute or budget requires to collect them to the fund that Statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with the respective section(s) of the Ohio Revised Code.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

June 28, 2007

Village of Senecaville
Guernsey County
201 High Street
P.O. Box 5
Senecaville, Ohio 43780

To the Village Council:

We have audited the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of Village of Senecaville, Guernsey County, (the Village) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 28, 2007, wherein we noted the Village followed the requirements of Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be considered significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Village of Senecaville
Guernsey County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of Village management and Village Council and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
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
SEPTEMBER 13, 2007**