



**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 & 2010**





# Dave Yost • Auditor of State

Village Council  
Village of Roaming Shores  
P.O. Box 237  
2500 Hayford Road  
Roaming Shores, Ohio 44084

We have reviewed the *Independent Accountants' Report* of the Village of Roaming Shores, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

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

Dave Yost  
Auditor of State

November 29, 2012

**This page intentionally left blank.**

**VILLAGE OF ROAMING SHORES**

*Ashtabula County*

*Table of Contents*

---

	<u>Page</u>
Table of Contents .....	1
Independent Accountants' Report .....	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2011 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – Proprietary Fund Type For the Year Ended December 31, 2011 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2010 .....	6
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, 2010.....	7
Notes to the Financial Statements .....	8
Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Governmental Auditing Standards</i> .....	17

**This page intentionally left blank.**



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

---

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Roaming Shores  
Ashtabula County  
P.O. Box 237  
2500 Hayford Road  
Roaming Shores, Ohio 44084

To the Village Council:

We have audited the accompanying financial statements of the Village of Roaming Shores, Ashtabula County, (the Village) as of and for the years ended December 31, 2011 and 2010. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require the Village to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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 years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010, and the reserve for encumbrances as of December 31, 2010, of the Village of Roaming Shores, Ashtabula County and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 the Village of Roaming Shores adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, 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.



**Canter & Associates**  
**Poland, Ohio**

June 29, 2012



**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Governmental Fund Types</b>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$125,549	\$140,496	\$35,149	\$0	\$301,194
Intergovernmental	26,057	252,579	5,280	0	283,916
Fines, Licenses, and Permits	5,978	12,393	0	0	18,371
Earnings on Investments	1,384	181	0	0	1,565
Miscellaneous	11,428	925	0	0	12,353
	<u>170,396</u>	<u>406,574</u>	<u>40,429</u>	<u>0</u>	<u>617,399</u>
Total Cash Receipts					
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	35,102	153,965	0	0	189,067
Public Health Services	28,345	0	0	0	28,345
Community Environment	16,763	0	0	0	16,763
Transportation	0	29,004	0	0	29,004
General Government	161,866	0	0	0	161,866
Capital Outlay	56,049	262,490	0	9,256	327,795
Debt Service:					
Redemption of Principal	0	0	95,285	0	95,285
Interest and Other Fiscal Charges	0	0	59,647	0	59,647
	<u>298,125</u>	<u>445,459</u>	<u>154,932</u>	<u>9,256</u>	<u>907,772</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>(127,729)</u>	<u>(38,885)</u>	<u>(114,503)</u>	<u>(9,256)</u>	<u>(290,373)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds of OPWC Loan	0	17,918	0	0	17,918
Proceeds of Notes	46,049	0	0	0	46,049
Transfers In	0	0	104,415	0	104,415
Transfers Out	(30,000)	(50,000)	0	0	(80,000)
	<u>16,049</u>	<u>(32,082)</u>	<u>104,415</u>	<u>0</u>	<u>88,382</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(111,680)	(70,967)	(10,088)	(9,256)	(201,991)
Fund Cash Balances, January 1	<u>169,766</u>	<u>404,182</u>	<u>181,383</u>	<u>9,256</u>	<u>764,587</u>
Fund Cash Balances, December 31					
Non-Spendable	1,165	0	0	0	1,165
Restricted	0	333,215	122,432	0	455,647
Assigned	0	0	48,863	0	48,863
Unassigned	56,921	0	0	0	56,921
	<u>58,086</u>	<u>333,215</u>	<u>171,295</u>	<u>\$0</u>	<u>\$562,596</u>
Total Fund Cash Balances, December 31					

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

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$860,297
Fees, Licenses, and Permits	3,300
Miscellaneous	200
Total Operating Cash Receipts	863,797
<b>Operating Cash Disbursements:</b>	
Personal Services	258,447
Contractual Services	216,868
Supplies and Materials	348,255
Total Operating Cash Disbursements	823,570
Operating Income/(Loss)	40,227
<b>Non-Operating Cash Receipts:</b>	
Property and Other Local Taxes	82,999
Intergovernmental Receipts	701
Total Non -Operating Cash Receipts	83,700
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	
Principal Payments	(120,361)
Interest Payments	(106,784)
Total Non-Operating Cash Disbursements	(227,145)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(103,219)
Transfers-In	261,200
Transfers-Out	(285,615)
Net Receipts Over/(Under) Disbursements	(127,634)
Fund Cash Balances, January 1	766,517
<b>Fund Cash Balances, December 31</b>	<b>\$638,883</b>

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

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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 and Other Local Taxes	\$123,100	\$137,738	\$34,468	\$0	\$295,306
Intergovernmental	34,208	120,899	5,217	0	160,324
Fines, Licenses & Permits	9,888	14,473	0	0	24,361
Investment Earnings	4,097	215	0	0	4,312
Miscellaneous	7,972	616	0	0	8,588
<b>Total Cash Receipts</b>	<b>179,265</b>	<b>273,941</b>	<b>39,685</b>	<b>0</b>	<b>492,891</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	36,066	154,704	0	0	190,770
Public Health	27,598	0	0	0	27,598
Community Environment	25,931	0	0	0	25,931
Transportation	0	63,821	0	0	63,821
General Government	121,385	0	0	0	121,385
Capital Outlay	0	0	0	790,744	790,744
Debt Service:					
Redemption of Principal	0	0	86,112	0	86,112
Interest and Other Fiscal Charges	0	0	48,678	0	48,678
<b>Total Cash Disbursements</b>	<b>210,980</b>	<b>218,525</b>	<b>134,790</b>	<b>790,744</b>	<b>1,355,039</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(31,715)</b>	<b>55,416</b>	<b>(95,105)</b>	<b>(790,744)</b>	<b>(862,148)</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds of Notes	0	0	0	300,000	300,000
Transfers In	0	0	105,769	0	105,769
Transfers Out	(30,000)	(50,000)	0	0	(80,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(30,000)</b>	<b>(50,000)</b>	<b>105,769</b>	<b>300,000</b>	<b>325,769</b>
<b>Excess of Cash and Other Financing Receipts Over (Under) Cash and other Financing Disbursements</b>	<b>(61,715)</b>	<b>5,416</b>	<b>10,664</b>	<b>(490,744)</b>	<b>(536,379)</b>
Fund Cash Balances, January 1	230,316	398,766	170,719	500,000	1,299,801
<b>Total Fund Cash Balances, December 31</b>	<b>\$168,601</b>	<b>\$404,182</b>	<b>\$181,383</b>	<b>\$9,256</b>	<b>\$763,422</b>
<i>Reserve for Encumbrances, December 31</i>	<i>\$6,226</i>	<i>\$54,447</i>	<i>\$0</i>	<i>\$9,256</i>	<i>\$69,929</i>

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

VILLAGE OF ROAMING SHORES  
ASHTABULA 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, 2010

	<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Type</u>		<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>		<u>Agency</u>		
<b>Operating Cash Receipts:</b>					
Charges for Services	\$873,272		\$0		\$873,272
Fees, Licenses, and Permits	20,300		0		20,300
Miscellaneous	6,384		0		6,384
Total Operating Cash Receipts	<u>899,956</u>		<u>0</u>		<u>899,956</u>
<b>Operating Cash Disbursements:</b>					
Personal Services	243,332		0		243,332
Contractual Services	205,723		0		205,723
Supplies and Materials	267,754		0		267,754
Total Operating Cash Disbursements	<u>716,809</u>		<u>0</u>		<u>716,809</u>
Operating Income/(Loss)	183,147		0		183,147
<b>Non-Operating Cash Receipts:</b>					
Property and Other Local Taxes	83,879		0		83,879
Intergovernmental Receipts	1,201		0		1,201
Other Financing Sources	19,669		0		19,669
Total Non -Operating Cash Receipts	<u>104,749</u>		<u>0</u>		<u>104,749</u>
<b>Non-Operating Cash Disbursements:</b>					
Debt Service					
Principal Payments	106,122		0		106,122
Interest Payments	112,873		0		112,873
Total Non-Operating Cash Disbursements	<u>218,995</u>		<u>0</u>		<u>218,995</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>68,901</u>		<u>0</u>		<u>68,901</u>
Transfers-In	255,007				255,007
Transfers-Out	<u>(280,776)</u>		<u>0</u>		<u>(280,776)</u>
Net Receipts Over/(Under) Disbursements	43,132		0		43,132
Fund Cash Balances, January 1	<u>723,385</u>		<u>1,165</u>		<u>724,550</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$766,517</u></b>		<b><u>\$1,165</u></b>		<b><u>\$767,682</u></b>
Reserve for Encumbrances, December 31	<u>\$5,155</u>		<u>\$0</u>		<u>\$5,155</u>

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

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

---

**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 Roaming Shores, Ashtabula County, (the Village) as a body corporate and politic. A publicly-elected six-member Council and Mayor governs the Village. The Village provides water and sewer utilities, zoning, park operations, and police services. The Village contracts with the Rome and Morgan Townships to receive fire protection services.

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

**B. Basis of Accounting**

These financial statements follow the 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.

STAR Ohio funds 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.

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

---

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

**D. Fund Accounting Continued:**

The Village had the following significant Special Revenue Funds:

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

Police Levy Fund- This fund receives property tax, and intergovernmental revenue for the purpose of providing police protection for the Village and its residents.

**3. Debt Service Fund**

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

General Obligation Fund - This fund is used to pay the note for improving the Village's streets.

General Obligation Fund #2 – This fund receives property taxes to improve the Village's waterworks system.

Village Hall Debt Fund- This fund accumulates revenues to pay the debt of the new village hall.

**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 fund:

Capital Projects Fund - This fund received proceeds from the sale of notes which were used to construct the new village hall.

**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 ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

---

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

**D. Fund Accounting Continued:**

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

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

**6. Fiduciary Funds (Agency Fund)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village has established an Unclaimed Moneys Fund that accounts for stale-dated warrants that were removed from the reconciliation by the Fiscal Officer. In 2011, the Unclaimed Monies fund is now included within the Village's General Fund, per GASB 54 as shown in Note 2.

**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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 4.

VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. **Restricted**

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

3. **Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

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

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



**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

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

**G. 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.

**H. 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. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET ASSETS/FUND EQUITY**

For the year 2011, the Village reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

	<b>Fund Balance at December 31, 2011</b>	<b>GASB 54 Change in Fund Structure</b>	<b>Adjusted Fund Balance at December 31, 2011</b>
<b>General</b>	<b>\$ 56,921</b>	<b>\$ 1,165</b>	<b>\$ 58,086</b>
<b>Unclaimed Money</b>	<b>\$ 1,165</b>	<b>\$ 0</b>	<b>\$ 0</b>

**3. 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:

	<u>2011</u>	<u>2010</u>
Demand Deposits	\$1,152,344	\$903,435
Investments - STAR Ohio	49,135	627,670
Total deposits and investments	<u>\$1,201,479</u>	<u>\$1,531,105</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$218,500	\$216,445	(\$2,055)
Special Revenue	420,925	424,492	3,567
Debt Service	143,800	144,844	1,044
Capital Projects	0	0	0
Enterprise	1,210,575	1,208,697	(1,878)
Total	<u>\$1,993,800</u>	<u>\$1,994,478</u>	<u>\$678</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$364,849	\$330,825	\$34,024
Special Revenue	573,109	495,459	77,650
Debt Service	159,550	154,932	4,618
Capital Projects	9,256	9,256	0
Enterprise	1,466,600	1,336,330	130,270
Total	<u>\$2,573,364</u>	<u>\$2,326,802</u>	<u>\$246,562</u>

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$185,000	\$179,265	(\$5,735)
Special Revenue	262,179	273,941	11,762
Debt Service	64,620	145,454	80,834
Capital Projects	300,000	300,000	0
Enterprise	1,247,348	1,259,712	12,364
Total	<u>\$2,059,147</u>	<u>\$2,158,372</u>	<u>\$99,225</u>

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**4. BUDGETARY ACTIVITY (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$308,700	\$247,206	\$61,494
Special Revenue	391,000	322,972	68,028
Debt Service	157,485	134,790	22,695
Capital Projects	800,000	800,000	0
Enterprise	1,380,310	1,221,735	158,575
Total	\$3,037,495	\$2,726,703	\$310,792

For 2011, encumbrances of \$2,700 are also included in Budgetary Expenditures.

**5. 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.

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.

**6. DEBT**

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$1,296,716	4.16-6.56%
General Obligation Bonds	801,000	4.99%-7.13%
Bond Anticipation Notes	46,049	2.93%
Mortgage Revenue Bonds	776,000	4.95%-7.13%
Total	\$2,919,765	

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**6. DEBT (Continued)**

The Village has three Ohio Water Development Authority (OWDA) loans, two of which relate to water and sewer plant expansion projects the Ohio Environmental Protection Agency mandated and the third for an emergency dam waterline project. Water and sewer receipts collateralize the loans. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The General Obligation and Mortgage Revenue Bonds relate to acquiring and improving existing sanitary sewer and waterworks systems as well as construction of a new village administration building. General Obligation Bonds are for 30 years and Mortgage Revenue Bonds are for 40 years.

The Village's taxing authority collateralizes General Obligation Bonds. The Mortgage Revenue Bonds relate to financing improvements made to the Village's waterworks system. The Bonds are payable from revenues and properties of the Utility, after provisions for the reasonable operating and maintenance expenses thereof. The Bonds are to be secured by mortgaging all the properties of the Village used in and directly connected with the operation of the Utility.

During 2011, the Village issued Bond Anticipation Notes through Andover Bank for \$46,049, at an interest rate of 2.93% for 3 years. The Village's taxing authority collateralizes the Bond Anticipation Notes, and the notes will be repaid from General and Police Levy collections. This debt was incurred to purchase two new police cruisers.

During the audit period, the Village was given a \$50,000 loan from OPWC. It is a 0% loan, and will not start being repaid until the entire loan is drawn down and the project is completed. In 2011, \$17,918 was drawn.

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

<u>Year ending December 31:</u>	<u>OWDA Loans</u>	<u>General Obligation Bonds</u>	<u>Mortgage Revenue Bonds</u>	<u>Bond Anticipation Notes</u>
2012	\$178,664	\$101,364	\$93,290	\$16,279
2013	178,664	97,919	92,583	16,279
2014	178,664	94,536	93,733	16,298
2015	178,664	91,153	93,598	0
2016	153,655	68,817	94,249	0
2017-2021	643,230	308,934	467,750	0
2022-2026	106,618	259,420	280,696	0
2027-2029	0	131,887	0	0
Total	<u>\$1,618,161</u>	<u>\$1,154,030</u>	<u>\$1,215,898</u>	<u>\$48,857</u>

**VILLAGE OF ROAMING SHORES  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

---

**7. 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 post-retirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10.0 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages.

OPERS members contributed 10.0 percent of their wages for 2011 and 2010. The Village contributed an amount equal to 14.00 percent of participants' gross salaries for 2011 and 2010. The Village has paid all contributions required through December 31, 2011.

**8. RISK MANAGEMENT**

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

**9. RELATED ORGANIZATION**

RomeRock Association, Inc.,(the Association) a not-for-profit corporation, organized under the laws of the State of Ohio, operates under its own elected seven member Board of Directors and By-Laws for the betterment of the residents of the Village of Roaming Shores. Village residents, by property deed, are required to be members of the Association and pay assessments for its operations. The Association maintains the Village roads and management of Lake Roaming Rock and related activities that pertain to the lake and surrounding areas.



6400 Olde Stone Crossing  
Poland, Ohio 44514  
Ph: 330.707.9035  
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Village of Roaming Shores  
Ashtabula County  
P.O. Box 237  
2500 Hayford Road  
Roaming Shores, Ohio 44084

To the Village Council:

We have audited the financial statements of the Village of Roaming Shores (the Village) as of and for the years ended December 31, 2011 and December 31, 2010 and have issued our report thereon dated June 29, 2012, 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 and also noted the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. 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 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

**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 we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to management of the Village in a separate letter dated June 29, 2012.

We intend this report solely for the information and use of management, Members of Council and others within the Village. We intend it for no one other than these specified parties.



**Canter & Associates**  
**Poland, Ohio**

June 29, 2012

**This page intentionally left blank.**





# Dave Yost • Auditor of State

VILLAGE OF ROAMING SHORE

ASHTABULA 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 11, 2012