

**VILLAGE OF ROSEVILLE
MUSKINGUM COUNTY
Regular Audit
For the Years Ended December 31, 2010 and 2009**

Perry and Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Members of Council
Village of Roseville
107 North Main Street
Roseville, Ohio 43777

We have reviewed the *Independent Accountants' Report* of the Village of Roseville, Muskingum County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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Dave Yost
Auditor of State

August 15, 2011

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**Village of Roseville
Muskingum County**

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INDEPENDENT ACCOUNTANTS' REPORT

June 28, 2011

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

To the Village Council:

We have audited the accompanying financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the **Village of Roseville**, Muskingum County, Ohio (the Village) as of and for the years ended December 31, 2010 and 2009, 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 opinions 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 discussed 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, 2010 and 2009, and the respective changes in the cash financial position and the respective budgetary comparison for the General Fund, Street Construction, Maintenance and Repair Fund, Income Tax Fund, Squad Operation and Maintenance Fund, and Clean Ohio Assistance Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2011, 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,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive, flowing style.

Perry and Associates
Certified Public Accountants, A.C.

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

This discussion and analysis of the Village of Roseville, Muskingum County, Ohio (the Village) financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2010 and December 31, 2009 within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2010 are as follows:

- Net assets of governmental activities increased \$72,036 or 13.8 percent. Several major funds had fund balance increases as described below.
- Net assets of business-type activities increased \$75,605 or 12 percent. The Water Fund receives automatic rate increases once per year to keep up with inflation. Sewer also receives automatic rate increases based on a rate analysis completed every March. There were several ongoing capital projects for 2009, 2010, and 2011 for water and sewer.
- The Village has ten major funds in 2010; General, Street Construction, Maintenance Repair, Clean Ohio Assistance Fund, Squad Operation and Maintenance, ARRA Sanitary Sewer, Water Well, ARRA Water, Water Operating, Sanitary Sewer Operating, USDA Rural Dev Bond Reserve. The General Fund had \$295,128 in revenues and \$300,104 in expenditures. The General Fund's balance decreased \$4,976. The Street Construction Maintenance Repair Fund had \$67,074 in revenues and \$66,378 in expenditures. The Street Construction Maintenance Repair Fund's balance increased by \$696. The Clean Ohio Assistance Fund had \$222,719 in revenues and \$216,354 in expenditures for 2010. The Clean Ohio Assistance Fund's balance increased by \$6,365. The Squad Operation and Maintenance Fund had \$13,139 in revenues and no expenditures. The Squad Replacement Fund's balance increased \$13,139.
- The ARRA Sanitary Sewer Fund (Pump Replacement), one of the Village's Capital Projects activities, had \$940,708 in revenue and \$915,766 in expenditures in 2010. The fund's balance increased by \$24,942.
- The ARRA Water Fund (Plant Upgrades), one of the Village's Capital Project activities, had \$288,846 in revenue and \$288,167. The fund balance increased \$8,679.
- The Water Operation, one of the Village's business-type activities, had a gain of \$46,732 for 2010. This is due to several water rate increases preparing for debt repayment starting in 2010 and 2011.
- The Sanitary Sewer, another business-type activity, had a gain of \$18,250 for 2010. This gain is due to cutting staff and the rate calculations recouped the losses resulted from 2008 and 2009. The rate calculations were completed on time. The rates for this fund are mandated and calculated by the Ohio EPA.
- The Village operates and maintains a Regional Sewer plant that includes the Village of Crooksville. The Regional Sewer Fund receives monies from both Crooksville and Roseville to pay for the Regional Operations and Maintenance. This business-type fund slightly increased due to the Village transferring \$42,500 for the Village's portion of the expenditures.
- The Equipment Replacement Operation, a business-type activity, receives monies from both the Village of Crooksville and Roseville to replace equipment.
- The OWDA, USDA, and OPWC Debt Service Fund receives the exact amount of monies that are paid out for sewer and water debt payments.
- The USDA Rural Development Bond Reserve Fund has a \$70,000 fund balance mandated by USDA in case of emergencies.

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Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2010 and 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the Governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each Governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

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

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

Village of Roseville
Muskingum County
Management's Discussion and Analysis
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Reporting the Village as a Whole (continued)

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

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

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

Reporting the Village's Most Significant Funds

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

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

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has several enterprise funds; the major funds include, Water Operating, Sanitary Sewer Operating and USDA Rural Dev Bond Reserve.

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

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2010 compared to 2009 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Cash and Cash Equivalents	\$ 594,416	\$ 522,380	\$ 699,141	\$ 623,536	\$ 1,293,557	\$ 1,145,916
Total Assets	594,416	522,380	699,141	623,536	1,293,557	1,145,916
Net Assets						
Restricted for:						
Capital Project	39,968	6,347	-	-	39,968	6,347
Debt Service	-	-	191,376	189,423	191,376	189,423
Other Purposes	532,408	489,018	-	-	532,408	489,018
Unrestricted	22,040	27,015	507,765	434,113	529,805	461,128
Total Net Assets	\$ 594,416	\$ 522,380	\$ 699,141	\$ 623,536	\$ 1,293,557	\$ 1,145,916

As mentioned previously, net assets of Governmental activities increased \$72,036, or 13 percent during 2010. There is not one single primary reason contributing to the increase in cash balances. There was a Clean Ohio project that received and disbursed grant monies through both 2009 and 2010.

Net assets of business-type activities increased \$75,605 or 12 percent. Water and Sewer rate increases incurred in both 2009 and 2010 for several debt service payment that will start in 2010 with full payments in 2011. Assistance with rate increases came from Rural Community Assistance Program (RCAP) in early 2008.

Village of Roseville
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Table 2 reflects the changes in net assets in 2010 and 2009.

(Table 2)

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$ 122,045	\$ 142,668	\$ 712,954	\$ 680,462	\$ 834,999	\$ 823,130
Operating Grants and Contributions	78,525	78,165	-	-	78,525	78,165
Capital Grants and Contributions	1,218,905	71,772	-	-	1,218,905	71,772
Total Program Receipts	1,419,475	292,605	712,954	680,462	2,132,429	973,067
General Receipts:						
Property Taxes	80,100	81,528	-	-	80,100	81,528
Municipal Income Tax	128,270	123,887	-	-	128,270	123,887
Grants and Entitlements Restricted						
to Specific Programs	360,580	80,673	-	-	360,580	80,673
Fines, Licenses and Permits	11,316	13,629	-	-	11,316	13,629
Interest	3,740	9,930	-	-	3,740	9,930
Note Proceeds	86,721	40,578	-	-	86,721	40,578
Miscellaneous	14,452	10,430	533	24,432	14,985	34,862
Total General Receipts	685,179	360,655	533	24,432	685,712	385,087
Total Receipts	2,104,654	653,260	713,487	704,894	2,818,141	1,358,154
Disbursements:						
General Government	336,079	132,709	-	-	336,079	132,709
Security of Persons and Property	299,600	227,586	-	-	299,600	227,586
Public Health Services	31,169	35,893	-	-	31,169	35,893
Leisure Time Activities	24,639	52,925	-	-	24,639	52,925
Transportation	66,001	63,203	-	-	66,001	63,203
Capital Outlay	1,272,004	102,608	-	-	1,272,004	102,608
Principal Retirement	1,476	2,854	-	-	1,476	2,854
Interest and Fiscal Charges	148	246	-	-	148	246
Other	1,502	-	-	-	1,502	-
Water	-	-	437,115	426,995	437,115	426,995
Sewer	-	-	200,767	214,901	200,767	214,901
Total Disbursements	2,032,618	618,024	637,882	641,896	2,670,500	1,259,920
Increase (Decrease) In Net Assets Before Transfers	72,036	35,236	75,605	62,998	147,641	98,234
Transfers In	-	-	-	5,696	-	5,696
Transfers Out	-	(5,696)	-	-	-	(5,696)
Increase (Decrease) in Net Assets	72,036	29,540	75,605	68,694	147,641	98,234
Net Assets, January 1,	522,380	492,840	623,536	554,842	1,145,916	1,047,682
Net Assets, December 31,	\$ 594,416	\$ 522,380	\$ 699,141	\$ 623,536	\$ 1,293,557	\$ 1,145,916

Village of Roseville
Muskingum County
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009
Unaudited

Governmental Activities

Program receipts represent 67 percent for 2010 and 44 percent for 2009 of total receipts and are primarily comprised of restricted intergovernmental receipts such as Fire Contracts for fire and emergency medical services to nearby townships, EMS revenue, motor vehicle license and gas tax money, and the sale of grave lots and the opening/closing fees. General receipts represent 33 percent for 2010 and 56 percent for 2009 of the Village's total receipts, and of this amount, over 50 percent minus the grants for 2010 and 2009 are local taxes, property taxes, and other taxes. State and federal grants and entitlements make up the majority of the Village's general receipts. Capital Projects grants and loan proceeds made up 62 percent of revenue in 2010 and 17.2 percent of the revenue in 2009. Other receipts are very insignificant and somewhat unpredictable revenue sources. Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, the auditor, fiscal officer, as well as internal services such as payroll and purchasing. Security of Persons and Property are the costs of police and fire protection; Public Health Services is the Cemetery Department; Leisure Time Activities are the costs of maintaining the parks and pool; and Transportation is the cost of maintaining the roads.

Business-Type Activities

The Village's water and sewer operations account for the expenses for the Village's business-type activities and are funded almost entirely from charges for services. During 2010 and 2009, program receipts exceeded program disbursements for total business-type activities.

The Water Operation Fund, Water Equipment Replacement, Guaranteed Water, Flood Control, and Water Improvements Fund of the Village routinely reports receipts and cash disbursements that are relatively equal. Resolution 2008-31 was passed by Council on May 20, 2008 for automatic rate increases to keep up with the cost increases of operation and maintenance. The Rate increase included a 3.5% increase for 2010, 5% rate increase for 2009, and a 3.5% rate increase yearly thereafter. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs and how these will be funded. Ohio EPA shut down 2 water wells and the Village worked with Ohio EPA to drill a new well in 2009 and 2010. This project is still ongoing and will close in 2011. This funding was provided by OWDA with 50% loan forgiveness and 0% interest. The Village also received notification from the Ohio EPA of requirements needed for discharging water. This project started and completed from 2010 through 2011. This funding came from DWAF-OWDA Loan and ARRA grant.

The sanitary sewer of the Village is still in the process of a major pump replacement project. The project totaled approx 1.6 mil dollars. The Village received \$650,000 in funding from OPWC in loan and grant, \$500,000 from CDBG-ARRA grants, \$465,000 WPCLF-OWDA Loan and ARRA grants. The Village has received and expended only a portion of these funds as of December 31, 2010.

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

The Equipment Replacement Fund receives receipts from both Roseville and Crooksville for replacing equipment. Expenditures are sometimes lower or higher than receipts due to the timing of equipment replacement.

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

Village of Roseville
Muskingum County
Management's Discussion and Analysis
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Unaudited

Table 3

	Total Cost Of Services 2010	Net Cost of Services 2010	Total Cost Of Services 2009	Net Cost of Services 2009
General Government	\$ 336,079	\$ (324,350)	\$ 132,709	\$ (120,101)
Security of Persons and Property	299,600	(238,557)	227,586	(152,842)
Public Health Services	31,169	(3,839)	35,893	1,047
Leisure Time Activities	24,639	1,136	52,925	(29,926)
Community Environment	-	162	-	277
Basic Utility	-	1,219,530	-	72,322
Transportation	66,001	7,905	63,203	9,512
Capital Outlay	1,272,004	(1,272,004)	102,608	(102,608)
Principal Retirement	1,476	(1,476)	2,854	(2,854)
Interest and Fiscal Charges	148	(148)	246	(246)
Other	1,502	(1,502)	-	-
<i>Total</i>	<u>\$ 2,032,618</u>	<u>\$ (613,143)</u>	<u>\$ 618,024</u>	<u>\$ (325,419)</u>

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

The Village's Funds

The Village's governmental funds are accounted for using the cash basis of accounting. In 2010, governmental funds had total revenues of \$2,104,654 and expenditures of \$2,032,618.

The fund balance of the General Fund decreased \$4,976 as the result of increased personnel expenditures. Income Tax Fund remains separated from the general fund for better kept financial records, but is used to support the General Fund for police and fire protection. General Fund operating receipts were less than operating disbursements for 2010 indicating that the General Fund is in a deficit spending situation. It was the recommendation and approval to go from a full time police chief to a part time police chief to help correct this deficit. This cut alone will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property and income taxes remains stagnant.

The fund balance of the Street Construction, Maintenance, and Repair Special Revenue Fund increased \$696 from 2009. At December 31, 2010, the Fund's unreserved fund balance of \$110,562 represented 168 percent of current year expenditures.

All receipts of the Clean Ohio Assistance Fund are disbursed during the year with the exception of \$6,365.

The fund balance of the Squad Operation and Maintenance Fund increased \$13,139 in 2010. The Fund's unreserved net assets balance was \$108,891.

The fund balance of the Income Tax Fund increased \$3,878 in 2010. The Fund's unreserved net assets balance was \$60,827.

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The net asset balance of the Water Operating Enterprise Fund increased \$46,732 in 2010. The Fund's unrestricted net assets balance of \$143,497 represented 45 percent of 2010 expenditures. The increase is due to automatic rate increases, full time superintendent replaced by a part-time superintendent, and an up in coming new water well project and water plant upgrade project both will be completed in 2011.

The net asset balance of the Sanitary Sewer Operating Enterprise Fund increased \$18,250 in 2010. The Fund's unrestricted net assets balance of \$141,007 represented 169 percent of 2010 expenditures.

The net asset balance of the Regional Sewer Operating Enterprise Fund increased \$1,403 in 2010. The Fund's unrestricted net assets balance of \$41,334. This fund was not a major fund in 2010.

The net asset balance of the Equipment Replacement Enterprise Fund increased \$8,472 in 2010. The Fund's unrestricted net assets balance of \$55,187. This fund was not a major fund in 2010.

The net asset balance of the OWDA Debt Service Enterprise Fund did not change. The Fund's unrestricted net assets balance of \$60,076 represented 471 percent of 2010 expenditures. This fund was not a major fund in 2010.

The net asset balance of the USDA Rural Development Bond Reserve Enterprise Fund did not change in 2010.

Two funds were created in 2010 to prepare for the debt service for the water well and water plant upgrade payments in 2011.

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 2010, the Village amended its General Fund budget a couple times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts for 2010.

Final disbursements were budgeted at \$315,009 in 2010 while actual disbursements including encumbrances were \$301,809. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

Debt Administration

At December 31, 2010 the Village's outstanding debt amounts to \$1,786,412 in general obligation bonds issued and loans obtained for improvements to buildings and structures, and vehicles. For further information regarding the Village's debt, refer to Note 13.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2011; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan has been implemented and is an ongoing one. We reviewed our sources of revenue and determined that increases were needed for water and wastewater service fees. We then reviewed the disbursement history of the Village. We have reduced health insurance, reduced staffing levels in sewer, water, and administration department which we felt it would have the least impact on services. All departments have been asked to reduce their spending for supplies.

Village of Roseville
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Contacting the Village's Financial Management

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

Village of Roseville
Muskingum County
Statement of Net Assets - Cash Basis
December 31, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 594,416	\$ 699,141	\$ 1,293,557
<i>Total Assets</i>	<u>594,416</u>	<u>699,141</u>	<u>1,293,557</u>
 Net Assets			
Restricted for:			
Capital Projects	39,968	-	39,968
Debt Service	-	191,376	191,376
Other Purposes	532,408	-	532,408
Unrestricted	<u>22,040</u>	<u>507,765</u>	<u>529,805</u>
<i>Total Net Assets</i>	<u>\$ 594,416</u>	<u>\$ 699,141</u>	<u>\$ 1,293,557</u>

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

Village of Roseville
Muskingum County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2010

	Program Cash Receipts			Net (Disbursements) and Receipts and Changes in Net Assets			
	Disbursements	Charges for Services	Operating Grants and and Contributions	Capital Grants and and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 336,079	\$ 9,627	\$ 2,102	\$ -	\$ (324,350)	\$ -	\$ (324,350)
Security of Persons and Property	299,600	61,043	-	-	(238,557)	-	(238,557)
Public Health Services	31,169	27,330	-	-	(3,839)	-	(3,839)
Leisure Time Activities	24,639	15,945	9,830	-	1,136	-	1,136
Community Environment	-	162	-	-	162	-	162
Basic Utility Services	-	625	-	1,218,905	1,219,530	-	1,219,530
Transportation	66,001	7,313	66,593	-	7,905	-	7,905
Capital Outlay	1,272,004	-	-	-	(1,272,004)	-	(1,272,004)
Miscellaneous	1,502	-	-	-	(1,502)	-	(1,502)
Debt Service							
Principal	1,476	-	-	-	(1,476)	-	(1,476)
Interest	148	-	-	-	(148)	-	(148)
<i>Total Governmental Activities</i>	<u>2,032,618</u>	<u>122,045</u>	<u>78,525</u>	<u>1,218,905</u>	<u>(613,143)</u>	<u>-</u>	<u>(613,143)</u>
Business-Type Activities							
Water Operating	437,115	482,419	-	-	-	45,304	45,304
Sewer Operating	200,767	230,535	-	-	-	29,768	29,768
<i>Total Business-Type Activities</i>	<u>637,882</u>	<u>712,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,072</u>	<u>75,072</u>
<i>Total</i>	<u>\$ 2,670,500</u>	<u>\$ 834,999</u>	<u>\$ 78,525</u>	<u>\$ 1,218,905</u>	<u>(613,143)</u>	<u>75,072</u>	<u>(538,071)</u>
General Receipts							
Property Taxes and Other Local Taxes					80,100	-	80,100
Municipal Income Taxes					128,270	-	128,270
Grants and Entitlements not Restricted to Specific Programs					360,580	-	360,580
Fines, Licenses and Permits					11,316	-	11,316
Note Proceeds					86,721	-	86,721
Interest					3,740	-	3,740
Miscellaneous					14,452	533	14,985
<i>Total General Receipts</i>					<u>685,179</u>	<u>533</u>	<u>685,712</u>
Change in Net Assets					72,036	75,605	147,641
<i>Net Assets Beginning of Year</i>					<u>522,380</u>	<u>623,536</u>	<u>1,145,916</u>
<i>Net Assets End of Year</i>					<u>\$ 594,416</u>	<u>\$ 699,141</u>	<u>\$ 1,293,557</u>

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

Village of Roseville
Muskingum County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2010

	General	Street Construction, Maintenance and Repair Fund	Clean Ohio Assistance Fund	Squad Operation and Maintenance Fund	ARRA Sanitary Sewer Fund	Water Well Fund	ARRA Water Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 22,040	\$ 110,562	\$ 6,365	\$ 108,891	\$ 24,942	\$ 2,090	\$ 12,936	\$ 306,590	\$ 594,416
<i>Total Assets</i>	<u>22,040</u>	<u>110,562</u>	<u>6,365</u>	<u>108,891</u>	<u>24,942</u>	<u>2,090</u>	<u>12,936</u>	<u>306,590</u>	<u>594,416</u>
Fund Balances									
Reserved:									
Reserved for Encumbrances	1,705	234	680,738	-	678,992	25,372	42,316	676	1,430,033
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	20,335	-	-	-	-	-	-	-	20,335
Special Revenue Funds	-	110,328	(674,373)	108,891	-	-	-	305,914	(149,240)
Capital Projects Fund	-	-	-	-	(654,050)	(23,282)	(29,380)	-	(706,712)
<i>Total Fund Balances</i>	<u>\$ 22,040</u>	<u>\$ 110,562</u>	<u>\$ 6,365</u>	<u>\$ 108,891</u>	<u>\$ 24,942</u>	<u>\$ 2,090</u>	<u>\$ 12,936</u>	<u>\$ 306,590</u>	<u>\$ 594,416</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Street Construction, Maintenance and Repair Fund	Clean Ohio Assistance Fund	Squad Operation and Maintenance Fund	ARRA Sanitary Sewer Fund	Water Well Fund	ARRA Water Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Taxes	\$ 53,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,745	\$ 87,413
Municipal Income Taxes	-	-	-	-	-	-	-	128,270	128,270
Intergovernmental	134,160	66,593	222,719	-	940,708	26,801	202,125	5,803	1,598,909
Charges for Services	47,357	-	-	13,139	-	-	-	38,261	98,757
Fines, Licenses and Permits	20,421	-	-	-	-	-	-	685	21,106
Interest	3,311	221	-	-	-	-	-	208	3,740
Other	6,211	260	-	-	-	-	-	23,996	30,467
<i>Total Receipts</i>	<u>265,128</u>	<u>67,074</u>	<u>222,719</u>	<u>13,139</u>	<u>940,708</u>	<u>26,801</u>	<u>202,125</u>	<u>230,968</u>	<u>1,968,662</u>
Disbursements									
Current:									
General Government	45,982	-	216,354	-	-	-	-	73,742	336,078
Security of Persons and Property	252,498	-	-	-	-	-	-	47,102	299,600
Public Health Services	-	-	-	-	-	-	-	31,169	31,169
Leisure Time Activities	-	-	-	-	-	-	-	24,638	24,638
Transportation	-	66,001	-	-	-	-	-	-	66,001
Capital Outlay	-	-	-	-	915,766	76,072	280,167	-	1,272,005
Debt Service:									
Principal Retirement	1,476	-	-	-	-	-	-	939	2,415
Interest and Fiscal Charges	148	-	-	-	-	-	-	187	335
<i>Total Disbursements</i>	<u>300,104</u>	<u>66,001</u>	<u>216,354</u>	<u>-</u>	<u>915,766</u>	<u>76,072</u>	<u>280,167</u>	<u>177,777</u>	<u>2,032,241</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(34,976)</u>	<u>1,073</u>	<u>6,365</u>	<u>13,139</u>	<u>24,942</u>	<u>(49,271)</u>	<u>(78,042)</u>	<u>53,191</u>	<u>(63,579)</u>
Other Financing Sources (Uses)									
Note Proceeds	-	-	-	-	-	49,271	86,721	-	135,992
Transfers In	30,000	-	-	-	-	-	-	5,000	35,000
Transfers Out	-	-	-	-	-	-	-	(35,000)	(35,000)
Advances In	-	-	-	-	-	-	-	10,000	10,000
Advances Out	-	-	-	-	-	-	-	(10,000)	(10,000)
Other Financing Uses	-	(377)	-	-	-	-	-	-	(377)
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>(377)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,271</u>	<u>86,721</u>	<u>(30,000)</u>	<u>135,615</u>
Net Change in Fund Balances	(4,976)	696	6,365	13,139	24,942	-	8,679	23,191	72,036
<i>Fund Balances Beginning of Year</i>	<u>27,016</u>	<u>109,866</u>	<u>-</u>	<u>95,752</u>	<u>-</u>	<u>2,090</u>	<u>4,257</u>	<u>283,399</u>	<u>522,380</u>
<i>Fund Balances End of Year</i>	<u>\$ 22,040</u>	<u>\$ 110,562</u>	<u>\$ 6,365</u>	<u>\$ 108,891</u>	<u>\$ 24,942</u>	<u>\$ 2,090</u>	<u>\$ 12,936</u>	<u>\$ 306,590</u>	<u>\$ 594,416</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2010

	<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	\$ 54,800	\$ 54,800	\$ 53,668	\$ (1,132)
Intergovernmental	58,520	140,659	134,160	(6,499)
Charges for Services	46,000	46,000	47,357	1,357
Fines, Licenses and Permits	23,900	28,900	20,421	(8,479)
Interest	9,000	4,000	3,311	(689)
Other	2,950	3,950	6,211	2,261
<i>Total Receipts</i>	<u>195,170</u>	<u>278,309</u>	<u>265,128</u>	<u>(13,181)</u>
Disbursements				
Current:				
General Government	49,885	50,235	46,409	3,826
Security of Persons and Property	174,985	262,874	253,776	9,098
Debt Service:				
Principal Payments	-	-	1,476	(1,476)
Interest and Fiscal Charges	-	1,900	148	1,752
<i>Total Disbursements</i>	<u>224,870</u>	<u>315,009</u>	<u>301,809</u>	<u>13,200</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,700)</u>	<u>(36,700)</u>	<u>(36,681)</u>	<u>19</u>
Other Financing Sources (Uses)				
Transfers In	30,000	30,000	30,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	300	(6,700)	(6,681)	19
<i>Fund Balance Beginning of Year</i>	27,015	27,015	27,015	-
<i>Fund Balance End of Year</i>	<u>\$ 27,315</u>	<u>\$ 20,315</u>	<u>\$ 20,334</u>	<u>\$ 19</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 68,500	\$ 68,500	\$ 66,593	\$ (1,907)
Interest	650	650	221	(429)
Other	-	-	260	260
<i>Total Receipts</i>	<u>69,150</u>	<u>69,150</u>	<u>67,074</u>	<u>(2,076)</u>
Disbursements				
Current:				
Transportation	<u>57,950</u>	<u>69,950</u>	<u>66,236</u>	<u>3,714</u>
<i>Total Disbursements</i>	<u>57,950</u>	<u>69,950</u>	<u>66,236</u>	<u>3,714</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,200</u>	<u>(800)</u>	<u>838</u>	<u>1,638</u>
Other Financing Sources (Uses)				
Other Financing Uses	<u>(500)</u>	<u>(500)</u>	<u>(377)</u>	<u>123</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(500)</u>	<u>(500)</u>	<u>(377)</u>	<u>123</u>
<i>Net Change in Fund Balance</i>	10,700	(1,300)	461	1,761
<i>Fund Balance Beginning of Year</i>	109,866	109,866	109,866	-
<i>Fund Balance End of Year</i>	<u>\$ 120,566</u>	<u>\$ 108,566</u>	<u>\$ 110,327</u>	<u>\$ 1,761</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Clean Ohio Assistance Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 222,719	\$ (677,281)
<i>Total Receipts</i>	<u>900,000</u>	<u>900,000</u>	<u>222,719</u>	<u>(677,281)</u>
Disbursements				
General Government	900,000	900,000	897,092	2,908
<i>Total Disbursements</i>	<u>900,000</u>	<u>900,000</u>	<u>897,092</u>	<u>2,908</u>
<i>Net Change in Fund Balance</i>	-	-	(674,373)	(674,373)
<i>Fund Balance Beginning of Year</i>	-	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (674,373)</u>	<u>\$ (674,373)</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Squad Operation and Maintenance Fund
For the Year Ended December 31, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ 19,000	\$ 19,000	\$ 13,139	\$ (5,861)
<i>Total Receipts</i>	<u>19,000</u>	<u>19,000</u>	<u>13,139</u>	<u>(5,861)</u>
Disbursements				
Capital Outlay	-	-	-	-
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	19,000	19,000	13,139	(5,861)
<i>Fund Balance Beginning of Year</i>	95,752	95,752	95,752	-
<i>Fund Balance End of Year</i>	<u>\$ 114,752</u>	<u>\$ 114,752</u>	<u>\$ 108,891</u>	<u>\$ (5,861)</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2010

	<u>Water Operating</u>	<u>Sanitary Sewer Operating</u>	<u>USDA Rural Dev Bond Reserve</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 143,497	\$ 141,007	\$ 70,000	\$ 344,637	\$ 699,141
<i>Total Assets</i>	<u>143,497</u>	<u>141,007</u>	<u>70,000</u>	<u>344,637</u>	<u>699,141</u>
Fund Balances					
Restricted for:					
Debt Service	-	-	70,000	121,376	191,376
Unrestricted	143,497	141,007	-	223,261	507,765
<i>Total Fund Balances</i>	<u>\$ 143,497</u>	<u>\$ 141,007</u>	<u>\$ 70,000</u>	<u>\$ 344,637</u>	<u>\$ 699,141</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2010

	Water Operating	Sanitary Sewer Operating	USDA Rural Dev Bond Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating Receipts					
Charges for Services	\$ 360,589	\$ 144,171	\$ -	\$ 134,149	\$ 638,909
Other Operating Receipts	367	166	-	69,059	69,592
<i>Total Operating Receipts</i>	<u>360,956</u>	<u>144,337</u>	<u>-</u>	<u>203,208</u>	<u>708,501</u>
Operating Disbursements					
Personal Services	91,263	38,366	-	35,862	165,491
Employee Fringe Benefits	50,769	16,684	-	16,257	83,710
Contractual Services	27,521	13,015	-	36,440	76,976
Supplies and Materials	59,270	15,350	-	17,167	91,787
Other	-	-	-	3,600	3,600
<i>Total Operating Disbursements</i>	<u>228,823</u>	<u>83,415</u>	<u>-</u>	<u>109,326</u>	<u>421,564</u>
<i>Operating Income (Loss)</i>	<u>132,133</u>	<u>60,922</u>	<u>-</u>	<u>93,882</u>	<u>286,937</u>
Non Operating Receipts (Disbursements)					
Capital Outlay	-	-	-	(8,364)	(8,364)
Capital Contributions	-	-	-	4,986	4,986
Principal Payments	(41,394)	-	-	(76,026)	(117,420)
Interest and Fiscal Charges	(44,007)	-	-	(46,355)	(90,362)
Other Financing Uses	-	(172)	-	-	(172)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(85,401)</u>	<u>(172)</u>	<u>-</u>	<u>(125,759)</u>	<u>(211,332)</u>
<i>Income (Loss) before Transfers</i>	<u>46,732</u>	<u>60,750</u>	<u>-</u>	<u>(31,877)</u>	<u>75,605</u>
Transfers In	-	-	-	42,500	42,500
Transfers Out	-	(42,500)	-	-	(42,500)
<i>Change in Net Assets</i>	46,732	18,250	-	10,623	75,605
<i>Net Assets Beginning of Year</i>	<u>96,765</u>	<u>122,757</u>	<u>70,000</u>	<u>334,014</u>	<u>623,536</u>
<i>Net Assets End of Year</i>	<u>\$ 143,497</u>	<u>\$ 141,007</u>	<u>\$ 70,000</u>	<u>\$ 344,637</u>	<u>\$ 699,141</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Fiduciary Fund
December 31, 2010

	<u>Agency</u>
	<u>Mayor's Court</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 185
<i>Total Assets</i>	<u>185</u>
Fund Balances	
Restricted for:	
Other Purposes	185
<i>Total Fund Balances</i>	<u>\$ 185</u>

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

Village of Roseville
Muskingum County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 522,380	\$ 623,536	\$ 1,145,916
<i>Total Assets</i>	<u>522,380</u>	<u>623,536</u>	<u>1,145,916</u>
Net Assets			
Restricted for:			
Capital Projects	6,347	-	6,347
Debt Service	-	189,423	189,423
Other Purposes	489,018	-	489,018
Unrestricted	<u>27,015</u>	<u>434,113</u>	<u>461,128</u>
<i>Total Net Assets</i>	<u>\$ 522,380</u>	<u>\$ 623,536</u>	<u>\$ 1,145,916</u>

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

Village of Roseville
Muskingum County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Disbursements	Charges for Services	Program Cash Receipts Operating Grants and and Contributions	Capital Grants and and Contributions	Net (Disbursements) and Receipts and Changes in Net Assets		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 132,709	\$ 10,534	\$ 2,074	\$ -	\$ (120,101)	\$ -	\$ (120,101)
Security of Persons and Property	227,586	74,744	-	-	(152,842)	-	(152,842)
Public Health Services	35,893	36,940	-	-	1,047	-	1,047
Leisure Time Activities	52,925	12,450	10,549	-	(29,926)	-	(29,926)
Community Environment	-	277	-	-	277	-	277
Basic Utility Services	-	550	-	71,772	72,322	-	72,322
Transportation	63,203	7,173	65,542	-	9,512	-	9,512
Capital Outlay	102,608	-	-	-	(102,608)	-	(102,608)
Debt Service							
Principal	2,854	-	-	-	(2,854)	-	(2,854)
Interest	246	-	-	-	(246)	-	(246)
<i>Total Governmental Activities</i>	<u>618,024</u>	<u>142,668</u>	<u>78,165</u>	<u>71,772</u>	<u>(325,419)</u>	<u>-</u>	<u>(325,419)</u>
Business-Type Activities							
Water Operating	426,995	462,085	-	-	-	35,090	35,090
Sewer Operating	219,855	223,331	-	-	-	3,476	3,476
<i>Total Business-Type Activities</i>	<u>646,850</u>	<u>685,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,566</u>	<u>38,566</u>
<i>Total</i>	<u>\$ 1,264,874</u>	<u>\$ 828,084</u>	<u>\$ 78,165</u>	<u>\$ 71,772</u>	<u>(325,419)</u>	<u>38,566</u>	<u>(286,853)</u>
General Receipts							
Property Taxes and Other Local Taxes					81,528	-	81,528
Municipal Income Taxes					123,887	-	123,887
Grants and Entitlements not Restricted to Specific Programs					80,673	-	80,673
Fines, Licenses and Permits					13,629	-	13,629
Note Proceeds					40,578	-	40,578
Interest					9,930	-	9,930
Miscellaneous					10,430	24,432	34,862
<i>Total General Receipts before Transfers</i>					<u>360,655</u>	<u>24,432</u>	<u>385,087</u>
Transfers In					-	5,696	5,696
Transfers Out					<u>(5,696)</u>	<u>-</u>	<u>(5,696)</u>
<i>Total General Receipts and Transfers</i>					<u>354,959</u>	<u>30,128</u>	<u>385,087</u>
Change in Net Assets					29,540	68,694	98,234
<i>Net Assets Beginning of Year</i>					<u>492,840</u>	<u>554,842</u>	<u>1,047,682</u>
<i>Net Assets End of Year</i>					<u>\$ 522,380</u>	<u>\$ 623,536</u>	<u>\$ 1,145,916</u>

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

Village of Roseville
Muskingum County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Street Construction, Maintenance and Repair Fund	Income Tax Fund	Squad Operation and Maintenance Fund	Water Well Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 27,016	\$ 109,866	\$ 56,949	\$ 95,752	\$ 2,090	\$ 230,707	\$ 522,380
<i>Total Assets</i>	<u>27,016</u>	<u>109,866</u>	<u>56,949</u>	<u>95,752</u>	<u>2,090</u>	<u>230,707</u>	<u>522,380</u>
Fund Balances							
Unreserved:							
Undesignated (Deficit), Reported in:							
General Fund	27,016	-	-	-	-	-	27,016
Special Revenue Funds	-	109,866	56,949	95,752	-	226,450	489,017
Capital Projects Funds	-	-	-	-	2,090	4,257	6,347
<i>Total Fund Balances</i>	<u>\$ 27,016</u>	<u>\$ 109,866</u>	<u>\$ 56,949</u>	<u>\$ 95,752</u>	<u>\$ 2,090</u>	<u>\$ 230,707</u>	<u>\$ 522,380</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Street Construction, Maintenance and Repair Fund	Income Tax Fund	Squad Operation and Maintenance Fund	Water Well Fund	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Taxes	\$ 53,037	\$ -	\$ -	\$ -	\$ -	\$ 35,664	\$ 88,701
Municipal Income Taxes	-	-	123,887	-	-	-	123,887
Intergovernmental	52,156	65,542	-	-	40,578	61,785	220,061
Charges for Services	50,434	-	-	22,259	-	51,371	124,064
Fines, Licenses and Permits	23,738	-	-	-	-	702	24,440
Interest	8,809	587	-	-	-	534	9,930
Other	6,321	-	479	-	-	14,799	21,599
<i>Total Receipts</i>	<u>194,495</u>	<u>66,129</u>	<u>124,366</u>	<u>22,259</u>	<u>40,578</u>	<u>164,855</u>	<u>612,682</u>
Disbursements							
Current:							
General Government	46,617	-	85,852	-	-	241	132,710
Security of Persons and Property	178,541	-	15,630	-	-	33,415	227,586
Public Health Services	-	-	-	-	-	35,893	35,893
Leisure Time Activities	-	-	-	-	-	52,925	52,925
Transportation	-	63,203	-	-	-	-	63,203
Capital Outlay	-	-	-	-	77,130	25,477	102,607
Debt Service:							
Principal Retirement	1,932	-	-	-	-	922	2,854
Interest and Fiscal Charges	42	-	-	-	-	204	246
<i>Total Disbursements</i>	<u>227,132</u>	<u>63,203</u>	<u>101,482</u>	<u>-</u>	<u>77,130</u>	<u>149,077</u>	<u>618,024</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(32,637)</u>	<u>2,926</u>	<u>22,884</u>	<u>22,259</u>	<u>(36,552)</u>	<u>15,778</u>	<u>(5,342)</u>
Other Financing Sources (Uses)							
Note Proceeds	-	-	-	-	40,578	-	40,578
Transfers In	30,000	-	-	-	449	23,485	53,934
Transfers Out	-	-	(35,000)	-	(2,385)	(22,245)	(59,630)
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>38,642</u>	<u>1,240</u>	<u>34,882</u>
Net Change in Fund Balances	(2,637)	2,926	(12,116)	22,259	2,090	17,018	29,540
<i>Fund Balances Beginning of Year</i>	<u>29,653</u>	<u>106,940</u>	<u>69,065</u>	<u>73,493</u>	<u>-</u>	<u>213,689</u>	<u>492,840</u>
<i>Fund Balances End of Year</i>	<u>\$ 27,016</u>	<u>\$ 109,866</u>	<u>\$ 56,949</u>	<u>\$ 95,752</u>	<u>\$ 2,090</u>	<u>\$ 230,707</u>	<u>\$ 522,380</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 55,700	\$ 55,700	\$ 53,037	\$ (2,663)
Intergovernmental	58,175	58,175	52,156	(6,019)
Charges for Services	62,000	52,000	50,434	(1,566)
Fines, Licenses and Permits	16,650	20,650	23,738	3,088
Interest	9,250	9,250	8,809	(441)
Other	2,900	4,900	6,321	1,421
<i>Total Receipts</i>	204,675	200,675	194,495	(6,180)
Disbursements				
Current:				
General Government	49,830	50,430	46,617	3,813
Security of Persons and Property	179,995	183,852	178,541	5,311
Debt Service:				
Principal Payments	-	-	1,932	(1,932)
Interest and Fiscal Charges	4,738	1,988	42	1,946
<i>Total Disbursements</i>	234,563	236,270	227,132	9,138
<i>Excess of Receipts Over (Under) Disbursements</i>	(29,888)	(35,595)	(32,637)	2,958
Other Financing Sources (Uses)				
Transfers In	30,000	30,000	30,000	-
<i>Total Other Financing Sources (Uses)</i>	30,000	30,000	30,000	-
<i>Net Change in Fund Balance</i>	112	(5,595)	(2,637)	2,958
<i>Fund Balance Beginning of Year</i>	29,310	29,310	29,310	-
<i>Prior Year Encumbrances Appropriated</i>	343	343	343	-
<i>Fund Balance End of Year</i>	\$ 29,765	\$ 24,058	\$ 27,016	\$ 2,958

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 70,500	\$ 70,500	\$ 65,542	\$ (4,958)
Interest	650	650	587	(63)
<i>Total Receipts</i>	<u>71,150</u>	<u>71,150</u>	<u>66,129</u>	<u>(5,021)</u>
Disbursements				
Current:				
Transportation	53,150	68,150	63,203	4,947
Debt Service:				
Interest and Fiscal Charges	3,500	3,500	-	3,500
<i>Total Disbursements</i>	<u>56,650</u>	<u>71,650</u>	<u>63,203</u>	<u>8,447</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>14,500</u>	<u>(500)</u>	<u>2,926</u>	<u>3,426</u>
Other Financing Sources (Uses)				
Other Financing Uses	(500)	(500)	-	500
<i>Total Other Financing Sources (Uses)</i>	<u>(500)</u>	<u>(500)</u>	<u>-</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	14,000	(1,000)	2,926	3,926
<i>Fund Balance Beginning of Year</i>	106,759	106,759	106,759	-
<i>Prior Year Encumbrances Appropriated</i>	181	181	181	-
<i>Fund Balance End of Year</i>	<u>\$ 120,940</u>	<u>\$ 105,940</u>	<u>\$ 109,866</u>	<u>\$ 3,926</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Income Tax Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Municipal Income Taxes	\$ 130,000	\$ 133,000	\$ 123,887	\$ (9,113)
Miscellaneous	4,000	4,000	479	(3,521)
<i>Total Receipts</i>	<u>134,000</u>	<u>137,000</u>	<u>124,366</u>	<u>(12,634)</u>
Disbursements				
General Government	83,325	86,895	85,852	1,043
Security of Persons and Property	15,000	15,630	15,630	-
<i>Total Disbursements</i>	<u>98,325</u>	<u>102,525</u>	<u>101,482</u>	<u>1,043</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,675</u>	<u>34,475</u>	<u>22,884</u>	<u>(11,591)</u>
Other Financing Sources (Uses)				
Transfers Out	(35,000)	(35,000)	(35,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	675	(525)	(12,116)	(11,591)
<i>Fund Balance Beginning of Year</i>	69,065	69,065	69,065	-
<i>Fund Balance End of Year</i>	<u>\$ 69,740</u>	<u>\$ 68,540</u>	<u>\$ 56,949</u>	<u>\$ (11,591)</u>

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

Village of Roseville
Muskingum County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Squad Operation and Maintenance Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Charges for Services	\$ -	\$ 22,000	\$ 22,259	\$ 259
<i>Total Receipts</i>	<u>-</u>	<u>22,000</u>	<u>22,259</u>	<u>259</u>
Disbursements				
Capital Outlay	-	-	-	-
<i>Total Disbursements</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>22,000</u>	<u>22,259</u>	<u>259</u>
<i>Net Change in Fund Balance</i>	-	22,000	22,259	259
<i>Fund Balance Beginning of Year</i>	73,493	73,493	73,493	-
<i>Fund Balance End of Year</i>	<u>\$ 73,493</u>	<u>\$ 95,493</u>	<u>\$ 95,752</u>	<u>\$ 259</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	<u>Water Operating</u>	<u>Sanitary Sewer Operating</u>	<u>Regional Sewer Operating</u>	<u>USDA Rural Dev Bond Retirement</u>	<u>USDA Rural Dev Bond Reserve</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 122,493	\$ 122,757	\$ 39,931	\$ 19,317	\$ 70,000	\$ 249,038	\$ 623,536
<i>Total Assets</i>	<u>122,493</u>	<u>122,757</u>	<u>39,931</u>	<u>19,317</u>	<u>70,000</u>	<u>249,038</u>	<u>623,536</u>
Fund Balances							
Restricted for:							
Debt Service	-	-	-	19,317	70,000	100,106	189,423
Unrestricted	122,493	122,757	39,931	-	-	148,932	434,113
<i>Total Fund Balances</i>	<u>\$ 122,493</u>	<u>\$ 122,757</u>	<u>\$ 39,931</u>	<u>\$ 19,317</u>	<u>\$ 70,000</u>	<u>\$ 249,038</u>	<u>\$ 623,536</u>

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

Village of Roseville
Muskingum County
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2009

	Water Operating	Sanitary Sewer Operating	Regional Sewer Operating	USDA Rural Dev Bond Retirement	USDA Rural Dev Bond Reserve	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating Receipts							
Charges for Services	\$ 339,244	\$ 143,546	\$ 35,252	\$ -	\$ -	\$ 93,461	\$ 611,503
Other Operating Receipts	24,066	263	-	68,958	-	5,058	98,345
<i>Total Operating Receipts</i>	<u>363,310</u>	<u>143,809</u>	<u>35,252</u>	<u>68,958</u>	<u>-</u>	<u>98,519</u>	<u>709,848</u>
Operating Disbursements							
Personal Services	95,222	44,802	30,996	-	-	2,346	173,366
Employee Fringe Benefits	41,917	17,893	8,895	-	-	3,042	71,747
Contractual Services	25,543	11,816	24,975	200	-	1,517	64,051
Supplies and Materials	90,037	15,583	12,438	-	-	20,763	138,821
Other	4,955	-	-	-	-	3,900	8,855
<i>Total Operating Disbursements</i>	<u>257,674</u>	<u>90,094</u>	<u>77,304</u>	<u>200</u>	<u>-</u>	<u>31,568</u>	<u>456,840</u>
<i>Operating Income (Loss)</i>	<u>105,636</u>	<u>53,715</u>	<u>(42,052)</u>	<u>68,758</u>	<u>-</u>	<u>66,951</u>	<u>253,008</u>
Non Operating Receipts (Disbursements)							
Capital Outlay	-	-	-	-	-	(12,876)	(12,876)
Principal Payments	(38,615)	-	-	(26,000)	-	(17,711)	(82,326)
Interest and Fiscal Charges	(46,786)	-	-	(43,855)	-	(4,167)	(94,808)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(85,401)</u>	<u>-</u>	<u>-</u>	<u>(69,855)</u>	<u>-</u>	<u>(34,754)</u>	<u>(190,010)</u>
<i>Income (Loss) before Transfers</i>	<u>20,235</u>	<u>53,715</u>	<u>(42,052)</u>	<u>(1,097)</u>	<u>-</u>	<u>32,197</u>	<u>62,998</u>
Transfers In	5,696	-	42,500	-	-	-	48,196
Transfers Out	-	(42,500)	-	-	-	-	(42,500)
<i>Change in Net Assets</i>	<u>25,931</u>	<u>11,215</u>	<u>448</u>	<u>(1,097)</u>	<u>-</u>	<u>32,197</u>	<u>68,694</u>
<i>Net Assets Beginning of Year</i>	<u>96,562</u>	<u>111,542</u>	<u>39,483</u>	<u>20,414</u>	<u>70,000</u>	<u>216,841</u>	<u>554,842</u>
<i>Net Assets End of Year</i>	<u>\$ 122,493</u>	<u>\$ 122,757</u>	<u>\$ 39,931</u>	<u>\$ 19,317</u>	<u>\$ 70,000</u>	<u>\$ 249,038</u>	<u>\$ 623,536</u>

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

Village of Roseville
Muskingum County
Statement of Fund Net Assets - Cash Basis
Fiduciary Fund
December 31, 2009

	Agency
	Mayor's Court
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 664
<i>Total Assets</i>	664
Fund Balances	
Restricted for:	
Other Purposes	664
<i>Total Fund Balances</i>	\$ 664

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

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

1. DESCRIPTION OF THE VILLAGE AND THE REPORTING ENTITY

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

Reporting Entity

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

B. Fund Accounting

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

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

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

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

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

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

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Fund- This fund receives local income tax revenues to offset costs of the General, Parks and Pool, and Street Fund.

ARRA Sanitary Sewer Fund This fund is used to upgrade the sanitary sewer pump stations from above ground pumps to submersible pumps and install backup generators at each of the 7 pump stations for Roseville. Resources come from Ohio Public Works Commission, ARRA Water Pollution Control Loan Fund, Community Development Block Grant, and charges for services.

Water Well This fund is used for the reconstruction of two water wells located in Ironspot. Resources come from Drinking Water Assistance Fund.

ARRA Water Fund This fund is used for upgrading infrastructure at the water plant. Resources come from Drinking Water Assistance Fund and American Reinvestment and Recovery.

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

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

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

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

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

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

Fiduciary Funds Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund accounts for:

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

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and 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, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. 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

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 negative receipts, respectively.

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

Interest earnings are allocated to Village funds according to State statutes, grants requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2010 and 2009 amounted to \$3,311 and \$8,809. Interest receipts credited to Other Government Funds during 2010 and 2009 amounted to \$429 and \$1,121.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Accumulated Leave

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

K. Employer Contributions to Cost-Sharing Pension Plans

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

L. Long-Term Obligations

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

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net assets restricted for other purposes primarily include resources restricted for street and state highway maintenance and repairs, police and fire protection, activities of the Village's court, cemetery operations, and the Village's parks and pool. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Fund Balance Reserves

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

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

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

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

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

3. PRIOR PERIOD ADJUSTMENT

In 2008, the Village received an insurance reimbursement for a high service line break in the amount of \$25,728. The receipt was recorded in the Water Operating Fund. The Village had planned to use this money for the water plant upgrade. The upgrade occurred in 2009 and 2010. During 2010, Council approved a fund balance transfer to the OWDA Debt Service Water Plant Upgrade Fund. Debt payments relating to the water plant upgrade will be made from this fund.

	Water Operating Fund	OWDA Debt Service Water Plant Upgrade Fund
12/31/09 Balance Prior to Restatement	\$ 122,493	\$ -
Adjustment	(25,728)	25,728
Restated 12/31/09 Balance	\$ 96,765	\$ 25,728

4. BUDGETARY BASIS OF ACCOUNTING

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

5. DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

5. DEPOSITS AND INVESTMENTS (Continued)

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.

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2010 and 2009, bank balances of \$1,291,794 and \$1,155,080, respectively, are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

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

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

5. DEPOSITS AND INVESTMENTS (Continued)

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

	2010	2009
Demand Deposits	\$ 578,402	\$ 432,842
Money Market Mutual Funds	715,155	713,074
Total	\$1,293,557	\$1,145,916

6. PROPERTY TAX

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2010 represent the collection of 2009 taxes. Real property taxes received in 2009 were levied after October 1, 2007, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes were established at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder paid by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2010 represent the collection of 2009 taxes. Public utility real and tangible personal property taxes received in 2010 became a lien December 31, 2009, were levied after October 1, 2008, and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2010 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in 2010 were levied after October 1, 2009, on the true value as of December 31, 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 assessed values of real property, public utility property, and tangible personal property in Perry and Muskingum Counties upon which 2010 property tax receipts were based are as follows:

	2010	2009
Valuations:		
Agriculture/Residential	\$ 10,206,290	\$ 10,209,920
Other	2,321,870	2,058,710
General Personal	5,820	17,330
PublicUtility	660,490	640,870
Total Assessed Value	\$ 13,194,470	\$ 12,926,830

Village of Roseville
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Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

7. INCOME TAX

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

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

8. INTERFUND TRANSFERS AND ADVANCES

A. *Transfers* - During 2010 and 2009 the following transfers were made:

2010					
Transfer from					
Transfer to	Sanitary Sewer Operating	Other Governmental	Total		
General	\$ -	\$ 30,000	\$ 30,000		
Other Governmental	-	15,000	15,000		
Nonmajor Enterprise	42,500	-	42,500		
Total	\$ 42,500	\$ 45,000	87,500		
2009					
Transfer from					
Transfer to	Sanitary Sewer Operating	Income Tax	Other Governmental	Water Well	Total
General	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
Other Governmental	-	5,000	18,485	-	23,485
Nonmajor Enterprise	42,500	-	-	-	42,500
Water Operating	-	-	3,311	2,385	5,696
Water Well	-	-	449	-	449
Total	\$ 42,500	\$ 35,000	\$ 22,245	\$ 2,385	\$ 102,130

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. All transfers are in compliance with Ohio Revised Code sections 5705.14.-16. The specific purpose of each transfer is as follows.

Per Resolution 2009-23 and 2010-11, the Village Council approved transfers from the Income Tax Fund to the General Fund. Also per these Resolutions Council approved transfers from the Sanitary Sewer Operating Fund to the Regional Sewer Operating Fund as the Sewers share costs. Finally, these resolutions include approval of transfers to the Park and Pool Fund from the Income Tax fund to support the Village pool.

Per Resolution 2009-68, the Village Council approved various transfers between proprietary funds for debt service and between parks and pool funds for the purpose of supporting the pool.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

8. INTERFUND TRANSFERS AND ADVANCES (Continued)

B. Interfund Balances

During 2010, Fire EMS Grant repaid the Income Tax Fund for an advance made in 2010 for the purpose of purchasing EMS equipment. The repayment eliminated the interfund balances.

9. RISK MANAGEMENT

During 2010 and 2009, the Village participated with other local governments in Ohio to participate in the Public Entity Pool of Ohio (PEP), a public entity insurance purchasing pool. Each individual governmental entity enters into an agreement with the PEP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The Village pays this annual premium to the PEP (See Note 14).

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

<u>Property</u>	<u>Deductible</u>	<u>Coverage</u>
Real Property	\$1,000	\$3,165,085
Boiler and Machinery	1,000	3,283,585
Personal Property	1,000	117,500
General Liability:		
Per Occurrence	0	2,000,000
Aggregate Limit	0	2,000,000
Employers Liability - Stop Gap:		
Per Accident	0	2,000,000
Per Disease Each Employee	0	2,000,000
Per Disease Policy Limit	0	2,000,000
Employee Benefits Liability:		
Per Claim	1,000	1,000,000
Aggregate Limit	1,000	1,000,000
Law Enforcement:		
Each Occurrence	1,000	2,000,000
Aggregate Limit	1,000	2,000,000
Medical Professional		
Each Occurrence	0	2,000,000
Aggregate Limit	0	2,000,000
Wrongful Acts	1,000	2,000,000
Vehicles:		
Bodily Injury:		
Per Person	0	2,000,000
Per Accident	0	2,000,000
Property Damage		
Uninsured Motorist:		
Per Person	0	1,000,000
Per Accident	0	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past five fiscal years. There has been no significant reduction in insurance coverage from 2008. Claims were issued for the Water Fund in 2008 that amounted to \$25,727.86 which was paid on a debt payment that covered the expense of repairing the infrastructure under the water plant upgrade project paid in 2010. Claims also included lighting strike at the Fire Department for less than \$5,000 and a vehicle accidents (sewer department vehicle).

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

10. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional 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) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2010 and 2009, members in state and local classifications contributed 10 percent of covered payroll and law enforcement members contributed 11.1 percent.

The Village's contribution rate for 2010 and 2009 was 14 percent, except for those plan members in law enforcement, for whom the Village's contribution rate was 17.87 percent of covered payroll. For the period January 1 through February 28, 2010, a portion of the Village's contribution equal to 5.5 percent of covered payroll was allocated to fund the postemployment healthcare plan; for the period March 1 through December 31, 2010 this amount was decreased to 5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate of the Village of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2010, 2009, and 2008 were \$38,738, \$39,480, and \$36,220 respectively. The full amount has been contributed for 2010, 2009 and 2008.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The Village's contribution was 19.5 percent for police officers. Contribution rates are established by State statute. For 2010 and 2009, a portion of the Village's contribution equal to 6.75 percent of covered payroll was allocated to fund the postemployment healthcare plan.

Village of Roseville
Muskingum County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

11. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010 and 2009, local government employers contributed 10 percent of covered payroll (17.87 percent for law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 5.5 percent of covered payroll from January 1 through February 28 2010, and 5 percent from March 1 to December 31, 2010.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The Village's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2010, 2009, and 2008 were \$19,369, \$19,740 and \$18,110 respectively. The full amount has been contributed for 2010, 2009 and 2008.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined post -employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

11. POSTEMPLOYMENT BENEFITS (Contributed)

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F’s postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 12.75 percent of covered payroll for police.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2010, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees’ primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

12. CONTINGENCIES

A. Grants

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

B. Litigation

The Village is currently (2009) under suit for personal property at 8 S. Main Street, Roseville for damages in excess of \$25,000. Roseville Village Council declared the building unsafe during a special council meeting and demolished the building. This suit has been settled as of 2011 by means of the Village receiving the property for minimum fees.

13. LONG-TERM OBLIGATIONS

Debt outstanding at December 31, 2010 and December 31, 2009 is detailed in the table on the following page.

Village of Roseville
Muskingum County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

13. LONG-TERM OBLIGATIONS (Continued)

Name of Loan	Description	Principal Outstanding 12/31/08	Additions	Deductions	Principal Outstanding 12/31/09	Additions	Deductions	Principal Outstanding 12/31/10	Due in One Year
United State Department of Agrculture-USDA	Sewer Mortgage Revenue Bonds-1989	\$ 788,000	\$ -	\$ 24,000	\$ 764,000	\$ -	\$ 25,000	\$ 739,000	\$ 26,000
United State Department of Agrculture-USDA	Sewer Mortgage Revenue Bonds-1994	99,000	-	2,000	97,000	-	2,000	95,000	2,000
Ohio Water Development Authority	Water	713,200	-	38,615	674,585	-	41,394	633,191	42,455
Ohio Water Development Authority	New Sewer Project	108,692	-	10,407	98,285	-	10,637	87,648	10,754
Ohio Water Development Authority	Water Plant Upgrade	-	-	-	-	86,721	28,445	58,276	1,359
Ohio Water Development Authority	Water Well Ironspot Project	-	40,578	-	40,578	49,271	2,493	87,356	2,493
Ohio Public Works Commision	Issue II	93,449	-	7,304	86,145	-	7,451	78,694	7,600
Peoples National Bank	Police Cruiser Chevy Impala	1,932	-	1,932	-	-	-	-	-
Peoples National Bank	Scag Lawn Mower	4,520	-	922	3,598	-	939	2,659	950
Peoples National Bank	2007 Cruiser	-	-	-	-	6,064	1,476	4,588	2,000
TOTALS		\$ 1,808,793	\$ 40,578	\$ 85,180	\$ 1,764,191	\$ 142,056	\$ 119,835	\$ 1,786,412	\$ 95,611

Scag Lawn Mower beginning balance was restated.

The Sewer Mortgage Revenue Bonds were issued to finance sewer system capital improvements. The assets and revenues of the sewer utility are pledged for the repayment of these obligations. The Series 1989 bonds will be repaid in annual installments ranging from \$62,000 to \$64,000, including interest, and are due in 2028. Interest is paid in annual installments at five percent of the outstanding balance. The Series 1994 bonds will be repaid in annual installments ranging from \$6,000 to \$8,000, including interest, and are due in 2034. The bond covenant requires the Village to establish and fund a debt service reserve fund, which is included within the enterprise funds on the accompanying financial statements. The balance in the fund on December 31, 2010 is \$70,000.

**Village of Roseville
Muskingum County**

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

13. LONG-TERM OBLIGATIONS (Continued)

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

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

The Peoples National Bank loans relate to vehicle purchases. Peoples National Bank loan is for a 2005 Chevy Impala. The vehicle is used as a police cruiser. The assets and revenues come from court fines, levies, and taxes in the General Fund. The cruiser is repaid in monthly installments of \$395, including interest, retired in 2009. The second Peoples National Bank loan is for a Scag Lawn Mower for cemetery maintenance. The assets and revenues come from levies, and cemetery fees. The mower will be repaid in monthly installments of \$94 including interest, retiring March 2013. The third Peoples National Bank loan is for a 2007 Police Cruiser purchased 4/2/2010. The assets and revenues come from court fines, levies, and taxes in the General Fund. The cruiser is repaid in monthly installments of \$180 including interest, retiring April 2013.

New loans from Ohio Water Development Authority (OWDA) include water infrastructure projects including well rehabilitations and plant upgrades. The assets and revenues of the utilities are pledged for repayment of these obligations. The Water Well Loan (2011) will be repaid in semiannual installments of \$2,493 no interest over 30 years. This project is still ongoing therefore payments will be changed after more expenditures occur. The Water Plant Upgrade (2010) will be repaid in semiannual installments of \$1,359 no interest over 30 years. A onetime payment of \$25,728 was paid to the principal due to insurance proceeds in 2010.

Amortization of the above debt, including interest, follows:

Year	Principal	Interest
2011	\$ 95,611	\$ 86,514
2012	104,580	81,709
2013	107,170	76,605
2014	111,616	71,352
2015	117,518	65,816
2016-2020	575,336	243,617
2021-2025	369,197	95,830
2026-2030	225,425	26,180
2031-2035	53,425	2,700
2036-2040	23,540	-
2041-2045	2,994	-
Total	\$ 1,786,412	\$ 750,323

14. INSURANCE PURCHASING POOL

The Village is exposed to various risks of property and casualty losses, and injuries to employees. The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

**Village of Roseville
Muskingum County**

Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and 2010

14. INSURANCE PURCHASING POOL (Continued)

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims. The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Net Assets	<u>\$21,118,036</u>	<u>\$20,459,329</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Government's share of these unpaid claims collectible in future years is approximately \$26,130. Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2009</u>	<u>2008</u>
\$27,798	\$27,140

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

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

June 28, 2011

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

To the Village Council:

We have audited the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the **Village of Roseville**, Muskingum County, Ohio (the Village) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Village's basic financial statements and have issued our report dated June 28, 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 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 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 internal control deficiencies resulting in more than reasonable possibility that a material misstatement of the Village's financial statements 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 basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed 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 the Village's management in a separate letter dated June 28, 2011.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

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Dave Yost • Auditor of State

VILLAGE OF ROSEVILLE

MUSKINGUM COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 25, 2011**