



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY  
DECEMBER 31, 2021

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**INDEPENDENT AUDITOR'S REPORT**

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

To the Village Council:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Village of Roseville, Muskingum County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2021, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 10, 2023

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**Village of Roseville**  
*Muskingum County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$54,042	\$48,483	\$0	\$102,525
Municipal Income Tax	221,589	0	0	221,589
Intergovernmental	65,029	309,202	388,498	762,729
Charges for Services	0	146,485	0	146,485
Fines, Licenses and Permits	21,436	241	0	21,677
Earnings on Investments	3,830	54	0	3,884
Miscellaneous	12,333	11,323	8,220	31,876
<i>Total Cash Receipts</i>	<u>378,259</u>	<u>515,788</u>	<u>396,718</u>	<u>1,290,765</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	80,794	118,880	0	199,674
Public Health Services	0	38,948	0	38,948
Leisure Time Activities	0	134,550	0	134,550
Community Environment	0	0	0	0
Basic Utility Services	0	306	0	306
Transportation	0	402,001	0	402,001
General Government	143,098	30,348	0	173,446
Capital Outlay	0	0	501,734	501,734
Debt Service:				
Principal Retirement	17,832	7,498	0	25,330
Interest and Fiscal Charges	5,134	18,757	0	23,891
<i>Total Cash Disbursements</i>	<u>246,858</u>	<u>751,288</u>	<u>501,734</u>	<u>1,499,880</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>131,401</u>	<u>(235,500)</u>	<u>(105,016)</u>	<u>(209,115)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	0	0	59,386	59,386
Sale of Capital Assets	0	1,600	0	1,600
Transfers In	0	75,000	8,334	83,334
Transfers Out	(83,334)	0	0	(83,334)
Other Financing Sources	558	1,720	0	2,278
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(82,776)</u>	<u>78,320</u>	<u>67,720</u>	<u>63,264</u>
Special Item	63	0	0	63
<i>Net Change in Fund Cash Balances</i>	48,688	(157,180)	(37,296)	(145,788)
<i>Fund Cash Balances, January 1</i>	<u>111,030</u>	<u>941,627</u>	<u>37,296</u>	<u>1,089,953</u>
<i>Fund Cash Balances, December 31</i>	<u>\$159,718</u>	<u>\$784,447</u>	<u>\$0</u>	<u>\$944,165</u>

See accompanying notes to the financial statements

**Village of Roseville**  
*Muskingum County*  
*Statement of Receipts, Disbursements*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,069,440
Miscellaneous	9,221
	1,078,661
<i>Total Operating Cash Receipts</i>	<i>1,078,661</i>
<b>Operating Cash Disbursements</b>	
Personal Services	270,664
Fringe Benefits	113,246
Contractual Services	365,662
Supplies and Materials	166,627
Other	2,500
	918,699
<i>Total Operating Cash Disbursements</i>	<i>918,699</i>
<i>Operating Income</i>	<i>159,962</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	56
Loans Issued	489,612
Sale of Capital Assets	6,000
Capital Outlay	(228,159)
Principal Retirement	(110,858)
Interest and Other Fiscal Charges	(25,113)
Other Financing Sources	2,371
	133,909
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>133,909</i>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<i>293,871</i>
Transfers In	52,500
Transfers Out	(52,500)
	293,871
<i>Net Change in Fund Cash Balances</i>	<i>293,871</i>
<i>Fund Cash Balance, January 1</i>	<i>1,595,043</i>
<i>Fund Cash Balance, December 31</i>	<i>\$1,888,914</i>

*See accompanying notes to the financial statements*

**Village of Roseville**  
*Muskingum County*  
*Statement of Additions, Deductions*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$4,788
<i>Total Additions</i>	4,788
<b>Deductions</b>	
Distributions as Fiscal Agent	2,874
Distributions to Other Governments	1,069
<i>Total Deductions</i>	3,943
<i>Net Change in Fund Balances</i>	845
<i>Fund Cash Balance, January 1</i>	1,820
<i>Fund Cash Balance, December 31</i>	\$2,665

*See accompanying notes to the financial statements*

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**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Roseville (the Village), Muskingum and Perry Counties, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water, sewer, and stormwater utilities, flood control, park operations, police services, volunteer fire and EMS services, cemetery and streets operations. The Village appropriates money derived from contracts from two townships to support a volunteer fire department and EMS services.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Village participates in a public entity risk pool and is associated with a related organization. Notes 8 and 14 to the financial statements provide additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

***Fund Accounting***

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair*** The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Roseville Cemetery Fund*** The Roseville Cemetery fund accounts for and reports tax proceeds derived from a property tax levy supported by the Village residents for ongoing maintenance and care for the historical cemetery owned and operated by the Village.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Rose Hill Cemetery Fund*** The Rose Hill Cemetery fund accounts for a reports proceeds from the sale of lots, transfers of lots, open and closing for burials for the Rose Hill Cemetery that is owned and operated by the Village.

***Rose Hill Cemetery Perpetual Care Fund*** The Rose Hill Cemetery Perpetual Care fund accounts for a reports proceeds from a portion of the sale of lots and open and closing for burials for the Rose Hill Cemetery that is owned and operated by the Village.

***Park & Pool Fund*** The Park and Pool fund accounts for a reports tax proceeds derived from a property tax levy supported by the Village residents for ongoing Park and Pool operations, as well as revenues from rentals, permits, and concessions for parks and pool owned and operated by the Village.

***Community Center Fund*** The Community Center fund accounts for a reports proceeds from rentals of the hall and spaces for meetings and other events sought by the public, as well as any miscellaneous donations.

***Volunteer Fire/EMS Fund*** The Volunteer Fire/EMS fund accounts for a reports tax proceeds from a local fire levy, EMS services fees, and intergovernmental contracts from Harrison and Clay townships for fire and EMS protection in unincorporated areas of the respective townships.

***Squad Replacement Fund*** The Squad Replacement fund accounts for and reports proceeds from EMS services for the replacement of vehicles necessary to provide EMS services to the Village and surrounding area.

***ARPA Local Fiscal Recovery Fund*** The ARPA Local Fiscal Recovery fund accounts for a reports proceeds from aid derived from the state/federal government granted to the Village for certain purposes.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

***Downtown Revitalization Fund*** The Downtown Revitalization fund accounts for and reports proceeds derived from grants, loans, General Fund transfers, and miscellaneous donations to complete capital projects identified by Village management for revitalizing the downtown business and historic districts. Major fund activities include construction of buildings and other infrastructure improvements for roads, purchase of real estate, demolition of blighted properties, and rehabilitation of existing buildings for the purposes of economic development.

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

***Water Operating Fund*** The Water Operating fund accounts for the provision of water distribution to the residents and commercial users located within the Village and unincorporated service areas.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Sanitary Sewer Fund*** The Sanitary Sewer fund accounts for the provision of sanitary sewer services to residential and commercial users of the Village.

***Regional Sewer Fund*** The Regional Sewer fund accounts for the provision of sanitary sewer services provided to users of the Village of Roseville and Village of Crooksville through intergovernmental agreement.

***Sewer Equipment Replacement Fund*** The Sewer Equipment Replacement fund accounts for the replacement of equipment necessary to maintain and operate sewerage services for residential and commercial users of the Village.

***Stormwater Utility Operating Fund*** The Stormwater Utility Operating fund accounts for the provision of stormwater infrastructure improvement and management provided to users of the Village.

***Sewer Debt Service*** The Sewer Debt Service fund receives proceeds from consumer fees from both the residential and commercial users of the Village of Roseville and Village of Crooksville as per an intergovernmental agreement to pay debts incurred by the sewerage system.

***Water Debt Service Fund*** The Water Debt Service fund receives proceeds from consumer fees from both the residential and commercial users of the Village's water system.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial funds account for unclaimed monies, Mayor's Court collection activities, fire insurance loss proceeds, and donations from organizations and individuals to support various beneficial programs improving the lives of the Village residents.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Budgetary Process***

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

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

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

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

A summary of 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

Money market mutual funds are recorded at share values the mutual funds report.

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable*** The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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



**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 16.

**Note 3 – Compliance**

For 2019-2020, the Auditor of State issued a finding for adjustment to the Storm Sewer Fund in the amount of \$33,305 for revenues incorrectly posted to the Street Construction Maintenance and Repair Fund. The finding adjustment was posted in 2021.

For 2020, the Auditor of State issued a finding for adjustment in the amount of \$6,521 for disbursements made from the Coronavirus Relief Fund (CRF) that were not in accordance with the use of funds requirements. The adjustment finding was from the General Fund to the Coronavirus Relief Fund. The finding adjustment was posted in 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2021 is as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$335,290	\$378,880	\$43,590
Special Revenue	493,205	594,108	100,903
Capital Projects	588,703	464,438	(124,265)
Enterprise	1,915,300	1,629,200	(286,100)
Fiduciary	0	4,788	\$4,788
<b>Total</b>	<b>\$3,332,498</b>	<b>\$3,071,414</b>	<b>(\$261,084)</b>

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$448,378	\$344,357	\$104,021
Special Revenue	1,976,501	764,802	1,211,699
Capital Projects	551,412	501,734	49,678
Enterprise	2,001,504	1,358,133	643,371
Fiduciary	0	3,943	(\$3,943)
<b>Total</b>	<b>\$4,977,795</b>	<b>\$2,972,969</b>	<b>\$2,004,826</b>

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

<b><i>Cash Management Pool:</i></b>	2021
Demand deposits	\$2,835,744
Total deposits	2,835,744

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the village is holding \$7,837 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Investments***

The Village did not hold any investments as of December 31, 2021.

**Note 6 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

**Note 7 – Interfund Balances**

There were no outstanding advances as of December 31, 2021.

**Note 8 – Risk Management**

***Workers' Compensation***

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$14,974,099

**Note 9 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% percent of their gross salaries, and the Village contributed an amount equaling 14% percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2021.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2021</i>	<i>10%</i>	<i>14%</i>
<i>OPERS – Public Safety</i>	<i>2021</i>	<i>12.00%</i>	<i>18.10%</i>
<i>OPERS – Law Enforcement</i>	<i>2021</i>	<i>13.00%</i>	<i>18.10%</i>

***Ohio Police and Fire Retirement System***

Other Village employees belong to the Ohio Police and Fire Pension Fund (OP&F), specifically, the Village’s full-time Police Officers. OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2021.

***Social Security***

Other Village employees (elected officials) contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2021.

**Note 10 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 11 – Debt**

Debt outstanding at December 31, 2021, was as follows:

Description of Issue	Year Issued	Interest Rate	Balance January 1	Amount Issued	Amount Retired	Balance December 31
USDA 92-03 Sewer Mortgage Revenue Bonds	1988	5.00%	\$409,000	\$0	\$43,000	\$366,000
USDA 92-04 Sewer Mortgage Revenue Bonds	1994	5.00%	68,000	0	4,000	64,000
OWDA Loan #2092 Water Treatment Plant	1995	6.56%	40,071	0	40,071	0
OWDA Loan #5244 Water Plant Upgrades	2010	0.00%	36,020	0	948	35,072
OWDA Loan #5148 Well Construction and WTP Rehabilitation	2011	0.00%	29,960	0	768	29,192
OPWC Loan #CR24L Sanitary System Improvements	2012	0.00%	170,580	0	8,125	162,455
OWDA Loan #8188 Asset Management Plan	2018	0.00%	1,851	0	1,851	0
OWDA Loan #8569 Storm Sewer Replacement	2019	2.41%	200,936	80,457	7,498	273,895
Peoples State Bank Loan #118156 Dump Truck	2019	3.23%	63,775	0	15,182	48,593
Northern Perry County Water OEPA Loan Twp Rd 71-A Extension	2019	0.00%	132,542	0	12,096	120,446
Peoples State Bank Loan #118515 Grocery Store	2020	1.86%	258,546	0	11,162	247,384
OPWC Loan #CR13W Village-wide Street Improvement	2020	0.00%	159,580	0	5,319	154,261
OWDA Loan #9147 Water Meter Replacement	2020	0.20%	0	409,113	0	409,113
ODOT SIB Loan #200008 Access Road Project	2021	0.00%	3,568	59,386	0	62,954
Total			\$1,574,429	\$548,956	\$150,020	\$1,973,365

*USDA 92-03 and USDA 92-04 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 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 and are due in 2034. Interest is paid in annual installments at five percent of the outstanding balance. 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, 2021 is \$70,000.

*OPWC Loans #CR04A and #CR24L* relate to sewer system improvements. The Ohio Public Works Commission (OPWC) financed #CR04A for sewer lines and as of December 31, 2021, the two percent interest loan was retired. Loan #CR24L is repaid in semiannual installments of \$8,125 at zero percent interest and is due in 2031. The assets and revenues of the sewer utility are pledged for the repayment of this obligation. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

*OPWC Loan #CR13W* relates to Village-wide street improvements, including resurfacing high-traffic areas of Main Street, Zanesville Road, Elm Street, 2<sup>nd</sup> Street, 3<sup>rd</sup> Street, Gordon Street, and Perry Street. The zero percent interest loan is repaid in semiannual installments of \$5,319 and is due in 2036.

*OWDA Loans #5244 and #5148* relate to the Village's Water Plant upgrades and rehabilitation, and well construction. Loan #5244 included upgrades to the Village's existing water treatment plant, including automatic valves and controls, new control panel, head loss gauges, chemical feeders, and raw water meter. The project included an ARRA principal forgiveness of \$280,000. This loan was approved on September 24, 2009 for a total amount of \$362,429.03, of which \$280,000.00 was ARRA funds. The loan currently has an outstanding principal balance of \$35,072. However, OWDA classifies the ARRA portion of the loan as "repaid" because there is no actual principal balance outstanding on the ARRA portion due to it having been forgiven. Loan #5148 included construction and connection of a new drinking water well to replace two existing contaminated wells. Principal forgiveness of 50% of the loan amount was granted. The loan

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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was approved on December 11, 2008 for a total amount of \$416,514.10, of which \$148,536.40 was principal forgiveness. The loan currently has an outstanding principal balance of \$29,192. However, OWDA classifies the ARRA portion of the loan as "repaid" because there is no actual principal balance outstanding on the ARRA portion due to it having been forgiven.

*OWDA Loans #2092 and #8188* were retired as of December 31, 2021. The Village incurred debt for #2092 to fund Water Treatment Plant engineering and technical service. The Village incurred debt for #8188 to develop an Asset Management Plan for the Village's water system as mandated by the Ohio EPA.

*OWDA Loan #8569* relates to the Village's Stormwater drainage project initiated in 2019 and completed in 2021. The amortization for this loan has not yet been completed. The loan is split between two different interest rates.

*OWDA Loan #9147* relates to the Village's Meter Replacement project initiated in 2020 and is ongoing beyond the accompanying financial statements. Therefore, amortization for this loan has not yet been completed.

*ODOT SIB Loan #200008* relates to the Village's Access Road project for downtown revitalization and economic development. The Ohio Department of Transportation's State Infrastructure Bank financed this loan. The project is not yet finalized. Therefore, amortization for this loan has not yet been completed.

*Peoples State Bank Loans #118156 and #118515* were financed locally for the purposes of purchasing a dump truck (#118156) and for constructing a building (#118515) for downtown revitalization and economic development. The building was also constructed using a grant from the USDA. These are unsecured loans based on daily simple interest. The Village's financial strategy is to meet the monthly loan payment as soon as possible to save on interest payments. Therefore, amortization on these loans has not been completed.

*Northern Perry County Water OEPA Loan* relates to the Village's portion of financing a waterline extension to unincorporated service areas adjacent to the corporation along Township Road 71-A in Harrison Township, Perry County, Ohio. The project was completed in 2019. The term of the loan is 30 years at zero percent interest and annual payments of \$4,838. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

### ***Leases***

As of December 31, 2021, the Village had no leases for capital or operating.

### ***Amortization***

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

**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

<b>Fiscal Year Ending</b>	<b>Principal (A)</b>	<b>Interest (B)</b>	<b>Total Columns A + B (C)</b>
2022	\$106,372	\$27,021	\$133,393
2023	108,249	25,881	134,130
2024	111,487	43,387	154,874
2025	97,144	20,592	117,736
2026	100,513	17,443	117,956
2027-2031	356,544	43,937	400,481
2032-2036	156,287	17,745	174,032
2037-2041	70,405	3,450	73,855
Total	<u>\$1,107,001</u>	<u>\$199,456</u>	<u>\$1,306,457</u>

**Note 12 – Construction and Contractual Commitments**

The Village currently has a contractual commitment with T&M Associates for engineering and clean-up of an abandoned gas station property funded through the Ohio Development Services Agency grant.

The Village also has ongoing commitments for Meter Replacement project (See Note 11). As of December 31, 2021, the Village was using labor in-house to complete the project. However, Village management is seeking permission to advertise for bids for a private contractor to complete the project due to ongoing staffing and the need to complete the project.

**Note 13 – Contingent Liabilities**

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

**Note 14 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.



**Village of Roseville, Ohio**  
*Muskingum County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 15 – Related Party Transactions**

A Village Council member that served during part of 2021 was part owner of a company from which the Village acquired general hardware supplies and materials during the year. The Village paid \$1,638 for these supplies and materials in 2021.

**Note 16 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Enterprise	Total
Nonspendable:					
Unclaimed Monies	\$8				\$8
Corpus					0
Outstanding Encumbrances	14,168	\$13,517	\$0	\$22,803	50,487
<i>Total</i>	<u>\$14,176</u>	<u>\$13,517</u>	<u>\$0</u>	<u>\$22,803</u>	<u>\$50,495</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 17 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Village received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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(800) 282-0370

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021 and the related notes to the financial statements of the Village of Roseville, Muskingum County, Ohio (the Village), and have issued our report thereon dated August 10, 2023, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as items 2021-002 and 2021-003 that we consider to be material weaknesses.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2021-001 and 2021-002.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 10, 2023

VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2021

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

FINDING NUMBER 2021-001

**Noncompliance**

**Ohio Rev. Code § 2949.091(A)(1)** requires the court, in which any person is convicted of or pleads guilty to any offense, to impose on the following sums as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender:

- Thirty dollars if the offense is a felony;
- Twenty dollars if the offense is a misdemeanor other than a traffic offense that is not a moving violation; or
- Ten dollars if the offense is a traffic offense that is not a moving violation, excluding parking violations.

All such moneys collected during the month shall be transmitted on or before the twentieth of the following month by the clerk of the courts to the Treasurer of State.

The Village did not remit to the Treasurer of State the July 2021 collection until September 2, 2021. The Village also failed to remit the amounts received during August 2021, September 20, 2021 through October 20, 2021, and November 5, 2021 through November 30, 2021. The State's share of the total amount collected but not distributed for these reporting periods totaled \$357.

In addition, the Village remitted a payment to the Treasurer of State in the amount of \$135 on October 22, 2021. We were unable to trace this remittance amount back to any documentation supporting the distribution.

Per our review of all monthly collections and distributions owed to the State during 2021, we determined the total amount due and not yet paid during 2021 to the Treasurer of State totaled \$222.

The Village should contact the State to pay past amounts due required for their portion of Mayor's Court fines and fees collected.

FINDING NUMBER 2021-002

**Noncompliance and Material Weakness**

**Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village inappropriately recorded \$14,454 of stormwater charges for services revenue and \$72,163 of loan proceeds for a storm sewer replacement project in the Street Construction and Repair Fund. Given the source of the revenue, this should have been recorded in the Stormwater Utility Operating Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

VILLAGE OF ROSEVILLE  
MUSKINGUM COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2021  
(Continued)

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

FINDING NUMBER 2021-003

**Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Receipts in the amount of \$69,604 were improperly classified as Special Assessments instead of Charges for Service in Sewer Debt Service Fund.

This reclassification, with which management agrees, is reflected in the accompanying financial statements.

There were also insignificant adjustments of \$1,784 and \$5,812 that were not posted to the financial statements.

We also noted adjustments required in the budgetary and debt notes to the financial statements.

Incorrect financial statement account classifications and balances could result in inaccurate reporting of the Village's financial information. Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Village's financial position and operations.

The Village should utilize available authoritative resources and take necessary steps to ensure that all receipts of the Village are properly presented and disclosed in the Village's financial statements.

**Officials' Response:** We did not receive a response from Officials to the findings reported above.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ROSEVILLE**

**MUSKINGUM COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/22/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)