

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Dave Yost • Auditor of State

Village Council
Village of Crooksville
98 South Buckeye Street
Crooksville, Ohio 43731

We have reviewed the *Independent Auditors' Report* of the Village of Crooksville, Perry County, prepared by Knox & Knox, for the audit period January 1, 2009 through December 31, 2009. 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 Crooksville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 28, 2011

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**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

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KNOX & KNOX

Accountants and Consultants

Independent Accountants' Report

Village of Crooksville
Perry County
98 S. Buckeye Street
Crooksville, Ohio 43731

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio (the Village), as of and for the year ended December 31, 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 opinion.

As discussed in Note 2, the Village has prepared these financial statements and notes using the modified cash basis of accounting. 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 financial position—modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio, as of December 31, 2009, and the respective changes in financial position—modified cash basis and the respective budgetary comparison for the General, State Highway, EMS and Income Tax Funds thereof for the year 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 September 27, 2010, 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 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 internal control over financial reporting or compliance. 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.

We conducted our audit to opine on the financial statements that collectively comprise the Village's financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

KNOX & KNOX

Orrville, Ohio
September 27, 2010

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

This discussion and analysis of the Village of Crooksville's (also referred to as the Village's) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2009, within the limitations of the Village's modified 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 2009 are as follows:

Net assets of governmental activities decreased \$27,684 or 4.9%. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2009; however, cost decreases affected most funds.

Property receipts for 2009 relatively stayed the same while the income tax increased compared to 2008.

The Village has two business-type activities. They are the water and sewer funds. The net assets increased by \$10,724 or 2.4%. The water fund also reflects \$2,504,971 for monies received for a waterline extension project for the Saltillo-Cloverhill project and also a waterline interconnect with Burr Oak which is to be completed in 2010.

USING THE BASIC FINANCIAL STATEMENTS

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

Report Components

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government 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.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

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 modified cash basis of accounting. This basis of accounting is other than generally accepted accounting principles. Under the Village's modified 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 2009, within the limitations of modified 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 modified cash position and the changes in modified cash position. Keeping in mind the limitations of the modified 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 modified cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

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

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

Business-type activity. The Village has two business-type activities, the provision of water, and of sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

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: government, 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, Street Construction, Maintenance and Repair, State Highway, and Grant Construction Water Plant Funds. The programs reported in the 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.

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 major enterprise funds, the Water Works, USDA Sewage Debt Reserve, Guarantee Deposit, Sewage Replacement, Sewage System, Water Contingency, W. W. Reserve, W. W. Replacement, and W. W. Improvement Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in 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 Fire Damage Insurance Fund

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

THE VILLAGE AS A WHOLE

Table 1 reflects a summary of the Village's net assets for 2009 on a modified cash basis:

(Table 1)
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
ASSETS						
Cash and Cash Equivalents	<u>\$532,085</u>	<u>\$559,768</u>	<u>\$444,817</u>	<u>\$434,092</u>	<u>\$976,902</u>	<u>\$993,860</u>
Total Assets	<u>\$532,085</u>	<u>\$559,768</u>	<u>\$444,817</u>	<u>\$434,092</u>	<u>\$976,902</u>	<u>\$993,860</u>
NET ASSETS						
Restricted for:						
Debt Service	\$92,203	\$88,398			\$92,203	\$88,398
Other Purposes	3,407	883	\$131,351	\$125,960	134,758	126,843
Unrestricted:	<u>436,475</u>	<u>470,487</u>	<u>313,466</u>	<u>308,132</u>	<u>749,941</u>	<u>778,619</u>
Total Net Assets	<u>\$532,085</u>	<u>\$559,768</u>	<u>\$444,817</u>	<u>\$434,092</u>	<u>\$976,902</u>	<u>\$993,860</u>

As mentioned previously, net assets of governmental Activities decreased \$27,683 or 4.9% and net assets of business-type activities increased \$10,724 or 2.4% during 2009. There is not one single primary reason contributing to the changes in cash balances.

Table 2 reflects the changes in net assets in 2009. Since the Village did prepare financial statements in this format for 2008, a comparative analysis Village-wide data has been presented.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

(Table 2)
Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	<u>Total</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$292,321	\$217,102	\$1,133,625	\$1,124,326	\$1,425,946	\$1,341,428
Operating Grands and Contributions	215,662	219,841	2,591,512	292,691	2,807,174	512,532
Capital Grants and contributions	22,145	11,212			22,145	11,212
Total Program Receipts	530,128	448,155	3,725,137	1,417,017	4,255,265	1,865,172
General Receipts:						
Property and Other Local Taxes	130,965	127,547			130,965	127,547
Income Taxes	510,854	592,428			510,854	592,428
Grants and Entitlements Not Restricted to Specific Programs	56,342	53,482	201,764	23,175	258,106	76,657
Sale of Bonds		946,900				946,900
Interest	22,341	36,816	188	1,492	22,529	38,308
Miscellaneous	655	6,194			655	6,194
Total General Receipts	721,157	1,763,367	201,952	24,667	923,109	1,788,034
Total Receipts	1,251,285	2,211,522	3,927,089	1,441,684	5,178,374	3,653,206
Disbursements:						
General Government	323,255	362,874			323,255	362,874
Security of Persons and Property	483,287	417,045			483,287	417,045
Leisure Time Activities	107,206	99,421			107,206	99,421
Other Financing			58,614	25,775	58,614	25,775
Transportation	213,807	172,882			213,807	172,882
Capital Outlay	56,135	131,916	288,185	114,295	344,320	246,211
Debt Services	341,060	1,258,740	32,761	32,778	373,821	1,291,518
Water Operating			2,998,811	765,348	2,998,811	765,348
Sewer Operating			290,241	229,006	290,241	229,006
Total Disbursements	1,524,750	2,442,878	3,668,612	1,167,202	5,193,362	3,610,080
Increase (Decrease) Before Transfers	(273,465)	(231,356)	258,477	274,482	(14,988)	43,126
Transfers-In	803,688	875,355	105,291	175,511	908,979	1,050,866
Transfers-Out	(557,907)	(639,685)	(353,045)	(416,447)	(910,952)	(1,056,132)
Increase (Decrease) in Net Assets	(27,684)	4,314	10,723	33,546	(16,961)	37,860
Net Assets January 1	559,768	555,456	434,092	400,545	993,860	956,001
Net Assets December 31	\$532,084	\$559,770	\$444,815	\$434,091	\$976,899	\$993,861

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

Program receipts represent 42 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

General receipts represent 58 percent of the Village's total receipts, and of this amount, over 88 percent are local taxes. State and federal grants and entitlements make up much of the balance of the Village's general receipts (12 percent). 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, and 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; Leisure Time Activities are the costs of maintaining the parks and pool and the Rec Center; and Transportation is the cost of maintaining the roads.

Governmental Activities

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

(Table 3)
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General Government			\$96,250	\$91,873
General Governmental	\$323,255	\$362,874	(323,255)	(362,874)
Security of Persons and Property	276,964	207,030	(276,964)	(207,030)
Public Health Services			172,191	83,141
Public Safety			113,272	132,093
Leisure Time Activities	107,206	99,421	(68,206)	(55,929)
Transportation	213,807	172,882	(213,807)	(172,882)
Capital Outlay	56,135	131,916	(56,135)	(131,916)
Debt Services	341,060	1,258,740	(341,060)	(1,258,740)
Other Financing Uses	<u>557,906</u>	<u>639,685</u>	<u>(535,761)</u>	<u>(639,685)</u>
Total Expenses	<u>\$1,876,333</u>	<u>\$2,872,548</u>	<u>(\$1,433,475)</u>	<u>(\$2,521,949)</u>

The dependence upon property and income tax receipts is apparent as over 88 percent of governmental activities are supported through these general receipts.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

Business-type Activities

The water and sewer operations of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal. . the Village is looking into ways of providing a more reliable source of safe drinking water to the Village. To prevent receiving violation notices on exceeding the MCL for trihalomethanes the Village will be started a interconnect project with Burr Oak with hopes of it being completed in 2010.

THE VILLAGE'S FUNDS

Total governmental funds had receipts of \$2,054,974 and disbursements of \$2,082,656. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$12,279 as the result of less income tax transfers. Other governmental funds include, the State Highway, EMS, Income Tax, and Other Governmental Funds. The Proprietary funds include Water Works, Sewage System, Guarantee Deposit, Water Contingency, W.W. Water Reserve, Sewage Debt Reserve, W.W. Replacement, and Sewage Replacement Funds.

General Fund receipts were more than disbursements by \$2,622 indicating that the General Fund is not in a deficit spending situation. The Council will watch the finances to assure fund remain sound.

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 2009, the Village amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were below original budgeted receipts due to unexpected slow growth in tax receipts. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$720,770 while actual disbursements were \$589,264. Although receipts failed to live up to expectations, appropriations were not reduced. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the decrease in fund balance of \$12,279 for 2009.

DEBT ADMINISTRATION

At December 31, 2009, the Village's outstanding debt included \$2,653,498 in general obligation notes issued for improvements to buildings and structures. For further information regarding the Village's debt, refer to Notes 14 and 15 to the basic financial statements.

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 funds. 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 2010; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan became effective for 2009. We then reviewed the disbursement history of the Village. We are not planning on giving our employees and increase in salaries for 2010 with a possibility of layoffs. All departments have been asked to reduce their spending for supplies.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

CONTACTING THE VILLAGE'S 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 Marcella Maxwell, Clerk-Treasurer, Village of Crooksville, 98 S. Buckeye Street, Crooksville, Ohio 43731.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2009**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$532,085	\$444,816	\$976,901
Total Current Assets	532,085	444,816	976,901
TOTAL ASSETS	\$532,085	\$444,816	\$976,901
Restricted Net Assets			
Payment of Debt	61,521		61,521
Administration Building Debt	21,125		21,125
Debt Payments	9,557		9,557
To be Used for Court Computer	1,849		1,849
Purchase/Replacement of Equipment	1,558		1,558
Purchase of Drugs	2		2
Pay Sewage Ds Only in Emergency		59,358	59,358
Applying/Refunding Deposits		71,993	71,993
Total Restricted Net Assets	95,612	131,351	226,963
Unrestricted Net Assets			
Unrestricted Net Assets	436,474	313,465	749,939
Total Unrestricted Net Assets	436,474	313,465	749,939
	\$532,086	\$444,816	\$976,902

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>State Highway</u>	<u>EMS</u>	<u>Income Tax</u>	<u>Other Governmental</u>	<u>Totals</u>
ASSETS						
Cash and Cash Equivalents	\$33,074	\$84,122	\$163,949	\$58,978	\$191,962	\$532,085
Total Assets	<u>\$33,074</u>	<u>\$84,122</u>	<u>\$163,949</u>	<u>\$58,978</u>	<u>\$191,962</u>	<u>\$532,085</u>
FUND BALANCES						
Reserved:						
Reserved for Encumbrances	\$689		\$19,765		\$733	\$21,187
Unreserved:						
General	32,385					32,385
Special Revenue		\$84,122	\$144,184	\$58,978	80,698	367,982
Capital Projects					18,329	18,329
Debt Service					92,202	92,202
Total Fund Balances	<u>\$33,074</u>	<u>\$84,122</u>	<u>\$163,949</u>	<u>\$58,978</u>	<u>\$191,962</u>	<u>\$532,085</u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	Water Works	Sewage System	Guarantee Deposit	Water Contingency	W.W. Reserve	USDA Sewage Debt Reserve	W.W. Replacement	Sewage Replacement	W.W. Improvement	Total
ASSETS										
Cash and Cash Equivalents	\$21,866	\$145,955	\$71,993	\$26,808	\$17,955	\$59,358	\$13,459	\$63,396	\$24,027	\$444,817
Total Assets	<u>\$21,866</u>	<u>\$145,955</u>	<u>\$71,993</u>	<u>\$26,808</u>	<u>\$17,955</u>	<u>\$59,358</u>	<u>\$13,459</u>	<u>\$63,396</u>	<u>\$24,027</u>	<u>\$444,817</u>
NET ASSETS										
Fund Equity - Unreserved	\$21,866	\$145,955	\$71,993	\$26,808	\$17,955	\$59,358	\$13,459	\$63,396	\$24,027	\$444,817
Total Net Assets	<u>\$21,866</u>	<u>\$145,955</u>	<u>\$71,993</u>	<u>\$26,808</u>	<u>\$17,955</u>	<u>\$59,358</u>	<u>\$13,459</u>	<u>\$63,396</u>	<u>\$24,027</u>	<u>\$444,817</u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
MODIFIED CASH FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	General	State Highway	EMS	Income Tax	Other Governmental	Totals
RECEIPTS:						
Property and Other Local Taxes	\$27,802				\$103,163	\$130,965
Municipal Income Taxes				510,854		510,854
Intergovernmental	79,117	\$7,151			100,440	186,708
Intergovernmental	7,873		18,142		25,084	51,099
Charges for Services	36,416		154,049		101,856	292,321
Fines, Licenses, and Permits	39,604				16,738	56,342
Earnings on investments	5,484	12,162	\$717		3,978	22,341
Miscellaneous			192		463	655
Total Receipts	196,296	19,313	173,100	510,854	351,722	1,251,285
DISBURSEMENTS:						
Current:						
Security of Persons and Property	299,276	2,610	132,352		49,049	483,287
Leisure Time Activities					107,206	107,206
Transportation		1,106			212,701	213,807
General Government	274,358			46,619	2,278	323,255
Capital Outlay					55,335	55,335
Debt Services					341,860	341,860
Total Disbursements	573,634	3,716	132,352	46,619	768,429	1,524,750
Excess Receipts Over/(Under) Disbursements	(377,338)	15,597	40,748	464,235	(416,707)	(273,465)
OTHER FINANCING SOURCES (USES)						
Note Proceeds					160,545	160,545
Other Financing Sources	380,001		10,327		252,816	643,144
Other Financing Uses	(14,940)	(2,729)	(27,301)	(461,775)	(51,161)	(557,906)
Total Other Financing Sources (Uses)	365,061	(2,729)	(16,974)	(461,775)	362,200	245,783
Net Change in Fund Balances	(12,277)	12,868	23,774	2,460	(54,507)	(27,682)
Fund Balances Beginning of Year	45,353	71,255	140,174	56,519	246,468	559,769
FUND BALANCES END OF YEAR	\$33,076	\$84,123	\$163,948	\$58,979	\$191,961	532,087

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GENERAL FUND
DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
RECEIPTS:				
Property and Other Local Taxes	\$28,712	\$29,622	\$27,802	(\$1,820)
Intergovernmental	76,390	65,789	86,990	21,201
Charges for Services	46,784	57,151	36,416	(20,735)
Fines, Licenses, and Permits	72,826	106,048	39,604	(66,444)
Earnings on investments	17,615	29,746	5,484	(24,262)
Miscellaneous	150	300		(300)
	<u>242,477</u>	<u>288,656</u>	<u>196,296</u>	<u>(92,360)</u>
DISBURSEMENTS:				
Security of Persons and Property	334,935	375,579	299,793	75,786
General Government	313,570	330,250	274,531	55,719
Capital Outlay	2,500			
	<u>651,005</u>	<u>705,829</u>	<u>574,324</u>	<u>131,505</u>
Excess Receipts Over/(Under) Disbursements	<u>(408,528)</u>	<u>(417,173)</u>	<u>(378,028)</u>	<u>(39,145)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	400,178	420,355	380,001	(40,354)
Other Financing Uses	<u>(14,888)</u>	<u>(14,941)</u>	<u>(14,940)</u>	<u>1</u>
	<u>385,290</u>	<u>405,414</u>	<u>365,061</u>	<u>(40,353)</u>
Net Change in Fund Balances	(23,238)	(11,759)	(12,967)	(1,208)
Fund Balance Beginning of Year	5,798	5,798	5,798	
Prior Year Encumbrances Appropriated	<u>39,555</u>	<u>39,555</u>	<u>39,555</u>	
FUND BALANCE END OF YEAR	<u><u>\$22,115</u></u>	<u><u>\$33,594</u></u>	<u><u>\$32,386</u></u>	<u><u>(\$1,208)</u></u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - STATE HIGHWAY FUND
DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
RECEIPTS:				
Intergovernmental	\$7,738	\$8,325	\$7,151	(\$1,174)
Earnings on investments	<u>13,543</u>	<u>14,924</u>	<u>12,162</u>	<u>(2,762)</u>
Total Receipts	<u>21,281</u>	<u>23,249</u>	<u>19,313</u>	<u>(3,936)</u>
DISBURSEMENTS:				
Security of Persons and Property	2,610	2,610	2,610	
Transportation	7,195	15,497	1,106	14,391
Capital Outlay	<u>7,195</u>	<u>12,176</u>	<u> </u>	<u>12,176</u>
Total Disbursements	<u>17,000</u>	<u>30,283</u>	<u>3,716</u>	<u>26,567</u>
Excess Receipts Over/(Under) Disbursements	<u>4,281</u>	<u>(7,034)</u>	<u>15,597</u>	<u>22,631</u>
OTHER FINANCING SOURCES (USES)				
Other Financing (Uses)	<u>(3,000)</u>	<u>(3,271)</u>	<u>(2,729)</u>	<u>542</u>
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>(3,271)</u>	<u>(2,729)</u>	<u>542</u>
Net Change in Fund Balances	1,281	(10,305)	12,868	23,173
Fund Balance Beginning of Year	<u>71,255</u>	<u>71,255</u>	<u>71,255</u>	<u> </u>
FUND BALANCE END OF YEAR	<u>\$72,536</u>	<u>\$60,950</u>	<u>\$84,123</u>	<u>\$23,173</u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - EMS FUND
DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
RECEIPTS:				
Intergovernmental	\$2,500	(\$13,142)	\$18,142	\$31,284
Charges for Services	92,075	30,101	154,049	123,948
Earnings on investments	1,696	2,675	717	(1,958)
Miscellaneous	93	(7)	192	199
	<u>96,364</u>	<u>19,627</u>	<u>173,100</u>	<u>153,473</u>
Total Receipts				
DISBURSEMENTS:				
Security of Persons and Property	64,162	49,287	152,116	(102,829)
	<u>64,162</u>	<u>49,287</u>	<u>152,116</u>	<u>(102,829)</u>
Total Disbursements				
Excess Receipts Over/(Under) Disbursements	<u>32,202</u>	<u>(29,660)</u>	<u>20,984</u>	<u>50,644</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	2,500	(5,327)	10,327	15,654
Other Financing Uses	(31,493)	(15,301)	(27,301)	(12,000)
	<u>(28,993)</u>	<u>(20,628)</u>	<u>(16,974)</u>	<u>3,654</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	<u>3,209</u>	<u>(50,288)</u>	<u>4,010</u>	<u>54,298</u>
Fund Balance Beginning of Year	138,519	138,519	138,519	
Prior Year Encumbrances Appropriated	<u>1,655</u>	<u>1,655</u>	<u>1,655</u>	
FUND BALANCE END OF YEAR	<u>\$143,383</u>	<u>\$89,886</u>	<u>\$144,184</u>	<u>\$54,298</u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - INCOME TAX FUND
DECEMBER 31, 2009**

	<u>Budget Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
RECEIPTS:				
Municipal Income Taxes	<u>598,414</u>	<u>685,974</u>	<u>510,854</u>	<u>(175,120)</u>
Total Receipts	<u>598,414</u>	<u>685,974</u>	<u>510,854</u>	<u>(175,120)</u>
DISBURSEMENTS:				
General Government	<u>54,323</u>	<u>57,120</u>	<u>46,619</u>	<u>10,501</u>
Total Disbursements	<u>54,323</u>	<u>57,120</u>	<u>46,619</u>	<u>10,501</u>
Excess Receipts Over/(Under) Disbursements	<u>544,091</u>	<u>628,854</u>	<u>464,235</u>	<u>(164,619)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Uses	<u>(529,450)</u>	<u>(597,124)</u>	<u>(461,775)</u>	<u>(135,349)</u>
Net Change in Fund Balances	<u>14,641</u>	<u>31,730</u>	<u>2,460</u>	<u>(29,270)</u>
Fund Balance Beginning of Year	51,326	51,326	51,326	
Prior Year Encumbrances Appropriated	<u>5,193</u>	<u>5,193</u>	<u>5,193</u>	
FUND BALANCE END OF YEAR	<u><u>\$71,160</u></u>	<u><u>\$88,249</u></u>	<u><u>\$58,979</u></u>	<u><u>(\$29,270)</u></u>

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	Water Works	Sewage System	OPWC Capital Project	Guarantee Deposit	Water Contingency	Roseville Debt Service	W.W. Reserve	USDA Sewage Debt Reserve	W.W. Replacement	Sewage Replacement	W.W. Capital Improvement	Total
OPERATING RECEIPTS												
Intergovernmental	\$2,504,971	\$40	\$288,185							\$80		\$2,793,276
Charges for Services	685,145	431,830		\$16,650								1,133,625
Earnings on investments		32		97	\$37					22		188
Total Assets	3,190,116	431,902	288,185	16,747	37					102		3,927,089
OPERATING DISBURSEMENTS												
Administrative - Water	2,998,811				10,508							3,009,319
Other Water			288,185						\$11,480		\$3,564	303,229
Administration-Sanitary Sewers and Sewage		290,241										290,241
Other Sanitary Sewers and Sewage						\$32,761				16,593		49,354
Other Basic Utility Service				11,357								11,357
Capital Outlay					5,113							5,113
Total Operating Disbursements	2,998,811	290,241	288,185	11,357	15,621	32,761			11,480	16,593	3,564	3,668,613
OTHER FINANCING SOURCES		5,730			12,074	32,761	\$2,480		11,807	30,000	10,439	105,291
TRANSFERS	(195,473)	(157,572)										(353,045)
Total Other Financing Sources and Transfers	(195,473)	(151,842)			12,074	32,761	2,480		11,807	30,000	10,439	(247,754)
Change in Net Assets	(4,168)	(10,181)		5,390	(3,510)		2,480		327	13,509	6,875	10,722
Net Assets Beginning of Year	26,033	156,136		66,602	30,317		15,475	\$59,358	13,132	49,886	17,151	434,090
NET ASSETS END OF YEAR	\$21,866	\$145,955		\$71,993	\$26,808		\$17,955	\$59,358	\$13,459	\$63,396	\$24,027	\$444,817

The notes to the financial statements are an integral part of the financial statements

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. REPORTING ENTITY

The Village of Crooksville, Perry County, Ohio (the Village) is a body of corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council elected at large for four-year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government component units and other organizations that were included to ensure that the financial statements are not misleading..

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general governmental services, water and sewer utilities, maintenance of Village roads and bridges, park operations and police services. The Village appropriates general fund money to support a volunteer fire department.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization in the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

The Village has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

1. 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 Fiduciary Funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other 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 balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

2. Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from the exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

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

1. Governmental Funds

The Village's classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Following are the Village's major governmental funds

General Fund - This fund accounts for all financial resources, except those required to be accounted for 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. The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose

EMS Fund - This fund receives money from charges for services related to emergency medical services to offset the costs of equipment for emergency medical protection.

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

State Highway Fund. This fund receives monies from the County and State Auditor for motor vehicle and gasoline tax and the use is restricted to street maintenance and repair of State routes.

2. Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as Proprietary funds are classified as either enterprise or internal service.

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 Village's major enterprise funds are the water, sewer, guarantee deposit, sewage replacement and USDA sewage debt reserve funds.

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users' within the Village.

Guarantee Deposit Fund - The guarantee deposit fund accounts for utility deposits paid by the water and sewer customers.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Proprietary Funds (continued)

Water Contingency Fund - The Water Contingency Fund accounts for small expenditures from the Water Fund.

W.W. Reserve Fund - The Water Works Reserve Fund is for contingencies in the water works system.

W.W. Replacement Fund - The Water Works Replacement Fund is to account for replacement of the water works system.

W.W. Capital Improvement Fund - The Water Works Improvement Fund accounts for capital improvements to the water works system.

Sewage Replacement Fund - The sewage replacement fund accounts for the transfers made monthly to it by Sewage System to help set back funds to pay for repairs to the sanitary pump stations.

USDA sewage Debt Reserve Fund - The USDA sewage debt reserve fund accounts for monies set back to pay the Sewage Debt Service payment if an emergency should arise.

3. 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 organization, 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.

C. Basis of Accounting

The Village's financial statements are prepared using the modified 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 of this note.

As a result of the use of this modified 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 and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 original budgeted amounts on the budgetary statement 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 certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

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

Cash and cash equivalents that are held separately in accounts at a financial institution for retainage and bond reserves and debt service are reported as "Cash and Cash Equivalents with Fiscal Agents".

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments (continued)

During 2009, the Village had its monies in checking accounts and STAR Ohio. The Village's deposits were insured by the Federal Depository Insurance Corporation.

STAR Ohio is an investment pool, managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2009.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited were \$27,530.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. There were no restricted assets.

G. Inventory and Prepaid Items

The Village reports disbursement for inventories 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 or liabilities in the accompanying financial statements.

J. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

K. Employer Contributions to Cost-Sharing Pensions

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 12 and 13, the employer contributions include portions for pension benefits and for postretirement healthcare benefits.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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 another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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 include resources restricted for street and state highway maintenance and repairs, police and fire protection, activities of the Village's court, and the Village's parks and pool.

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

N. Fund Balance Reserves

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

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. CHANGE IN BASIS OF ACCOUNTING AND RESTATEMENT OF FUND EQUITY

This year the Village has implemented the modified cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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, Street, and State Highway funds. The differences between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balances (modified cash basis) rather than as an interfund receivable or payable (modified cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$689 for the General Fund, \$377 for major special revenue fund. The outstanding advances at year end amounted to \$0 for the general fund and \$0 for major revenue funds. The EMS Fund showed that expenses exceeded appropriations.

5. DEPOSITS AND INVESTMENTS

Monies held by the Village are classified by State statute in three categories.

Active monies are public monies necessary to meet current demands upon the Village treasury. Active 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 Council 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 more than one year from the date of deposit or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. Bonds, notes, debentures, or any other obligation or security 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;
2. 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;
3. Bonds and other obligations of the State of Ohio or Ohio local governments;

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

5. DEPOSITS AND INVESTMENTS (continued)

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio).

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Village by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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. 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. Payment for Investments may be made only upon delivery of the securities representing the investments to the Village or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation or transfer from a custodian.

At year end, the Village had \$0 in undeposited cash on hand which is included as part of "Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

At year end, the carrying amount of the Village's deposits was \$826,529 and the bank balance was \$800,765. Of the bank balance \$250,000 was covered by federal depository insurance and \$550,765 was uninsured and uncollateralized. Although all State statutory requirement for the deposit of money had been followed, noncompliance with federal requirements could subject the Village to a successful claim by the FDIC.

The Village's investments are required to be categorized to give an indication of the level of risk assumed by the Village at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the Village's name. The investments in U.S. Treasury Bills are classified in category three. Investments in STAR Ohio and the money market mutual fund are not classified since they are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

5. DEPOSITS AND INVESTMENTS (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end \$550,766 of the Village's bank balance of \$800,766 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

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 by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured..

Investments

As of December 31, 2009, the Village had the following investments:

	<u>Carrying Value</u>
STAR Ohio	<u>\$185,326</u>

Interest rate risk arises because the fair value of investments changes as interest rates change. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The U. S. Treasury Bills are exposed to custodial risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name. The Village has no investment policy dealing with investment custodial risk beyond the requirement in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

6. INCOME TAXES

The Village levies a 1.5 percent income tax whose proceeds are placed into the Income Tax Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of actual taxes paid to another city or 100 percent of the 1.5% tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

7. 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 2009 represent the collection of 2007 taxes. Real property taxes received in 2009 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax received in 2009 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single taxpayers may pay annually or semiannually. If paid annually, the first payment is due March 21, 2009; if paid semiannually, the first payment is due April 30, with the remainder payable by July 18, 2009.

The full tax rate for all Village operations for the year ended December 31, 2009, was \$59.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property:	
Residential	\$14,607,930
Agriculture	38,590
Commercial/Industrial/Mineral	4,462,750
Public Utility Property:	
Real	553,890
Personal	4,235,380
Total Assessed Value	<u>\$23,898,540</u>

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

8. INTERFUND RECEIVABLES/PAYABLES

There were no interfund receivables balances at December 31, 2009.

9. RISK MANAGEMENT

The Village has insurance with the Ohio Plan. Our agent is McBane Insurance Agency.

Casualty excess-of-loss contracts at December 31, 2009 generally protect against individual losses exceeding - General Liability and Automobile Liability-First Dollar Coverage, (0 deductible), Law Enforcement Liability - Exceeding \$1,000. Public Officials Liability - Exceeding \$2,500, includes Employment Practice Liability .

Property coverage contracts protect against losses, blanket property coverage limit \$10,521,975 subject to a deductible of \$1,000.

10. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - 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 - a cost-sharing, multiple-employer pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10 percent. The Village's

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

10. DEFINED BENEFIT PENSION PLANS (continued)

A. Ohio Public Employees Retirement System (continued)

contribution rate for pension benefits for 2009 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contribution were 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Village's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2009, 2008 and 2007 were \$79,303, \$80,499, and \$81,446, respectively. The full amount has been contributed for 2009, 2008, and 2007.

B. Ohio Police and Fire Pension

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 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. The report may be obtained by writing to the Ohio Police and Fire Pension Plan, 140 East Town Street, Columbus, Ohio 43215-5614.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5 percent for police officers. Contributions are authorized by State statute. The Village's required contributions to the Fund for the years ended December 31, 2009, 2008, and 2007 were \$20,971, \$21,963, and \$16,378. The full amount has been contributed for 2009, 2008, and 2007.

11. POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

OPERS provides postretirement healthcare coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional or Combined plans. Healthcare coverage for disability recipients and primary survivor recipients is available. Members of the Member Directed Plan do not qualify for postretirement healthcare benefits. The healthcare coverage provided by the retirement system is considered Other Postretirement Benefit as described in *GASB Statement 12*. A portion of each employer's contribution to the Traditional or combined plans is set aside for the funding of postretirement healthcare based on authority granted by State statute. The 2009 local government employer contribution rate was 14 percent of covered payroll (17.63 percent for public safety and law enforcement); 7:00 percent of covered payroll was the portion that was used to fund healthcare

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS latest actuarial review performed as

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

11. POSTEMPLOYMENT BENEFITS (continued)

A. Ohio Public Employees Retirement System (continued)

of December 31, 2008, included a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Healthcare premiums were assumed to increase between .50 percent and 6.3 percent based on additional pay increases. Healthcare premiums were assumed to increase between .50 and 3.00 percent annually for the next six years and 4.00 percent subsequent years (seven and beyond).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plan was 357,584. The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2008, (the latest information available) were \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were 29.6 billion and \$18.9 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) restructures OPERS' healthcare coverage to improve the financial solvency of the fund in response to increasing healthcare costs.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement healthcare coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The healthcare coverage provided by a retirement system is considered Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide healthcare coverage and states that healthcare costs paid from the funds of OP&F shall be included in the employer's contribution rate. Healthcare funding and accounting is on a pay-as-you-go basis.

The total police employer contribution is 19.5 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment healthcare program during 2008 and 2007. In addition since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their healthcare coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly healthcare contributions.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

11. POSTEMPLOYMENT BENEFITS (continued)

B. Ohio Police and Fire Pension Fund (continued)

The Village's actual contributions for 2009 were used to fund postemployment benefits were \$7,255 for police. The OP&F's total healthcare expense for the year ended December 31, 2008 (the latest information available) was \$96,472,398 which was net of member contributions of \$56,948, 977. The full amount has been contributed for 2009.

12. NOTES PAYABLE

There were no notes payable

13. DEBT

A summary of debt for the year ended December 31, 2009 was as follows:

	<u>Principle</u>	<u>Interest Rate</u>
Ohio Water Development Authority (1537)	\$403,272	7.89%
Ohio Water Development Authority Loan (3392)	30,672	6.03%
Ohio Water Development Sayre Reservoir (3957)	41,888	2.00%
Ohio Water Development Authority Loan (4686)	47,213	4.12%
Ohio Water Development Authority Loan (4913)	286,150	1.50%
Ohio Public Works Commission Water Loan (CT49A)	12,598	0.00%
Ohio Public Works Commission Water Plant (CR34D)	22,705	2.00%
Fire Station Bonds	60,000	4.68%
Mortgage Revenue Bonds	740,000	5.00%
Recreation Center Bonds	121,000	4.75%
Capital Facilities Bonds	888,000	4.20%
	<u>\$2,653,498</u>	

Business-Type Activities	Average Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009	Due Within One Year
Municipal Debt	3.83%	\$2,834,813	\$160,545	\$341,860	\$2,653,498	\$243,806

The Ohio Water Development Authority (OWDA) loan 1537 relates to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$1,186,500 in loans to the Village for the project. The loan is being repaid in semiannual installments of \$55,056 including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Water Loan 3392 relates to a water plant backwash project that was mandated by Ohio Environmental Protection Agency. The OWDA has approved up to \$60,333 to the Village for this project. The loan will be repaid in semiannual installments of \$3,084 including interest, over 15 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

13. DEBT (continued)

The Ohio Water Development Authority (OWDA) Loan 3957 relates to the Sayre Reservoir Repair Project. On September 25, 2003 the OWDA approved a \$54,870 loan to the Village for this project. The amount was disbursed in 2004. The loan will be repaid in semiannual installments of \$1,671 including interest, over 20 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4686 relates to sewer system improvements. The amount was disbursed in 2007. The loan will be repaid in semiannual installments of \$3,691 including interest, over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4913 relates to waterlines, booster stations and elevated storage. The amount of the loan is \$290,000. The loan will be repaid in semiannual installments of \$6,028 including interest, over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) Water Loan CT58B had an original issue amount of \$12,174 and relates to a raw water line replacement project. The loan is being repaid in semiannual installments of \$675 including interest, over 20 years, from user fees.

The Ohio Public Works Commission (OPWC) Water Loan CT49A had an original issue amount of \$26,505 and relates to a raw water line replacement project. The loan is being repaid in semiannual installments of \$663 including interest, over 20 years, from user fees.

The Ohio Public Works Commission (OPWC) Water Loan CR34D had an original issue amount of \$84,421 and relates to a raw water plant backwash treatment project. The loan is being repaid in semiannual installments of \$4,678 including interest, over 10 years, from user fees.

Fire Station Bonds were issued in the amount of \$200,000 to finance the construction/renovation of the fire station. The bonds are being repaid in annual installments over 10 years.

Mortgage Revenue bonds were issued in the amount of \$1,010,000 to finance the construction of a sanitary sewer collection and disposal system. The bonds are being repaid in annual installments over 40 years from user fees. The loan numbers are 92-03 and 92-05.

Recreation Center Bonds were issued in the amount of \$184,000 to finance the renovation of a community center. The bonds are being repaid in annual installment over 20 years.

Capital Facilities Bonds were issued in the amount of \$946,900 to finance the building of the Village Administration Building. The bonds are being repaid in annual installments over 20 years.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

14. LEASES

The Village leases buildings, vehicles and other equipment under noncancellable leases. The Village disbursed \$32,062 to pay lease costs for the year ended December 31, 2009. Future lease payments are as follows.

<u>Year</u>	<u>Amount</u>
2010	\$12,089
2011	<u>9,067</u>
	<u>\$21,156</u>

15. INTERFUND TRANSFERS

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Major Enterprise Fund	<u>\$353,045</u>
Total transfers	<u>\$353,045</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

16. CONSTRUCTION AND CONTRACTUAL COMMITMENTS

Work began in 2008 on the Saltillo-Cloverhill Project. The project involves running waterlines, booster stations and elevated storage to provide water service to customers in this area. The work continued through 2009 with final payments being made in 2010.

Work began in 2009 on the Burr Oak-Crooksville interconnect project. The project involves running waterlines and a pump station. The work continued through 2009 with completion being in 2010.

Work began on a storm sewer improvement project on China Street in 2009 and was completed in 2009. This project was partially funded by ODOD ARC.

17. CONTINGENT LIABILITIES

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 costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial..

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KNOX & KNOX

Accountants and Consultants

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Crooksville
Perry County
98 S. Buckeye Street
Crooksville, Ohio 43731

To the Village Council:

We have audited the financial statements of the Village of Crooksville, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements and have issued our report thereon dated September 27, 2010 wherein we noted that the Village prepared its financial statements using modified cash accounting principles the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government'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 a reasonable possibility that a material misstatement of the Government'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 would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed one

Village of Crooksville
Perry County
Independent Accountants' Report on Internal Control
Over Financial Reporting and Other Matters
Required by Government Auditing Standards
Page 2

instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is shown in the accompanying schedule .

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 27, 2010.

We intend this report solely for the information and use of the audit committee, management, Village Council, federal and pass-through agencies.. We intend it for no one other than these specified parties.

KNOX & KNOX

Orrville, Ohio
September 27, 2010

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

<u>FEDERAL GRANTOR Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA N umber</u>	<u>Disbursements</u>
U.S. EPA		66.418	\$99,677
ARRA		66.458	602,100
HOUSING AND URBAN DEVELOPMENT Pass through - Ohio Department of Development Community Development Block Grant	C-W-07-210-1	14.228	365,376
Total Federal Awards Expenditures			<u>\$1,067,153</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Village's Federal Award Programs. The Schedule has been prepared on the cash basis of accounting.

2. MATCHING REQUIREMENTS

Certain federal programs require that the Village contribute non-federal funds (matching funds) to support the federally-funded programs. The Village has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

KNOX & KNOX

Accountants and Consultants

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Village of Crooksville
Perry County
98 S. Buckeye Street
Crooksville, Ohio 43731

To the Village Council:

COMPLIANCE

We have audited the compliance of the Village of Crooksville, Perry County, Ohio (the Village), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2009. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

In our opinion, the Village of Crooksville, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended December 31, 2009.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Village of Crooksville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

Village of Crooksville
Perry County
Independent Accountants' Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 2

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 a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and timely corrected.

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

The Village's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Village's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, Village Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KNOX & KNOX

Orrville, Ohio
September 27, 2010

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
FOR YEAR ENDED DECEMBER 31, 2009**

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .501	No
(d)(1)(vi)	Major Programs (list):	ARRA CFDA # 66.458
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Housing and Urban Development CFDA # 14.228 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

Finding 2009-1.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

FINDING NUMBER 2009-01

Noncompliance Citation

Ohio Revised Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

During the year ended December 31, 2009, expenditures exceeded appropriations in the following fund:

<u>Fund</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
EMS	\$69,905	\$162,443	(\$92,538)

Client Response: None

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid: Explain
2007-01	ORC 5705.39 Appropriations shall be limited by estimated resources	Yes	Finding no longer valid.
2007-02	ORC 5705.41 (B) No money shall be spent unless appropriated	No	Not Corrected: repeated as finding 2009-01
2007-03	Monitoring of Village activity in regards to budgetary controls	Yes	Finding no longer valid



Dave Yost • Auditor of State

VILLAGE OF CROOKSVILLE

PERRY 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
FEBRUARY 10, 2011