

VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA

Auditor of State

Members of Village Council
Village of North Robinson
P.O. Box 113
North Robinson, Ohio 44856

We have reviewed the *Independent Auditors' Report* of the Village of North Robinson, Crawford County, prepared by Holbrook & Manter, for the audit period January 1, 2008 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.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 28, 2010

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TABLE OF CONTENTS

	PAGE
Independent Auditors' Report.....	3-4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2008	6
Notes to the Financial Statements	7-11
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	12-13
Schedule of Prior Year Audit Findings	14

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INDEPENDENT AUDITORS' REPORT

Village Council
Village of North Robinson
Crawford County

We have audited the accompanying financial statements of the Village of North Robinson, Crawford County, Ohio, (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State of Ohio prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.


Instead of the combined funds the accompanying financial statements present for 2009 and 2008, GAAP requires presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of North Robinson, Crawford County of Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Government has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Certified Public Accountants

June 2, 2010

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY**
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:-			
Local taxes	\$ 8,252	\$ 0	\$ 8,252
Intergovernmental	12,381	9,911	22,292
Fines, licenses, and permits	20	0	20
Earnings on investments	185	222	407
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total cash receipts	20,838	10,133	30,971
Cash disbursements:-			
Current:-			
Security of persons and property	4,302	0	4,302
Public health services	747	0	747
Basic utility services	2,068	0	2,068
Transportation	0	10,226	10,226
General government	<u>16,436</u>	<u>0</u>	<u>16,436</u>
Total cash disbursements	<u>23,553</u>	<u>10,226</u>	<u>33,779</u>
Total receipts over (under) cash disbursements	(2,715)	(93)	(2,808)
Fund cash balances, January 1, 2009	<u>35,982</u>	<u>42,501</u>	<u>78,483</u>
Fund cash balances, December 31, 2009	<u><u>\$ 33,267</u></u>	<u><u>\$ 42,408</u></u>	<u><u>\$ 75,675</u></u>

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

VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:-			
Local taxes	\$ 8,568	\$ 0	\$ 8,568
Intergovernmental	14,033	10,055	24,088
Fines, licenses, and permits	10	0	10
Earnings on investments	335	318	653
Miscellaneous	1,031	0	1,031
	<u>23,977</u>	<u>10,373</u>	<u>34,350</u>
Total cash receipts			
Cash disbursements:-			
Current:-			
Security of persons and property	3,987	0	3,987
Public health services	618	0	618
Basic utility services	2,472	0	2,472
Transportation	2,985	7,215	10,200
General government	21,960	0	21,960
	<u>32,022</u>	<u>7,215</u>	<u>39,237</u>
Total cash disbursements			
Total receipts over (under) cash disbursements	(8,045)	3,158	(4,887)
Fund cash balances, January 1, 2008	<u>44,027</u>	<u>39,343</u>	<u>83,370</u>
Fund cash balances, December 31, 2008	<u>\$ 35,982</u>	<u>\$ 42,501</u>	<u>\$ 78,483</u>

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

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

- A. **Description of the Entity** - The Village of North Robinson, Crawford County, Ohio, (the Village) is a body 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. The Village provides general governmental services.

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

- B. **Basis of Accounting** - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

- C. **Cash and Investments** - The Village maintains an interest-bearing checking account.

- D. **Fund Accounting** - The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund

This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

- E. **Budgetary Process** - The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

Appropriations

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

Estimated Resources

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

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled and reappropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

- F. Property, Plant and Equipment** - Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS:-

The Village maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ <u>75,675</u>	\$ <u>78,483</u>

Demand Deposits - The Village's deposits are insured by the Federal Deposit Insurance Corporation. The agreement which is signed between the Village and the Financial Institution states that the funds exceeding the Federal Deposit Insurance Corporation (FDIC) limit shall be insured by: (1) collateral of securities specifically pledged by the financial institution to the Village, or (2) collateral pledged by the financial institution's public entity deposit pool.

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 3 - BUDGETARY ACTIVITY :-

Budgetary activity for the year ending December 31, 2009 was as follows:

2009 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 23,977	\$ 20,838	\$ (3,139)
Special Revenue	<u>10,373</u>	<u>10,133</u>	<u>(240)</u>
Total	\$ <u>34,350</u>	\$ <u>30,971</u>	\$ <u>(3,379)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 59,950	\$ 23,553	\$ 36,397
Special Revenue	<u>52,850</u>	<u>10,226</u>	<u>42,624</u>
Total	\$ <u>112,800</u>	\$ <u>33,779</u>	\$ <u>79,021</u>

Contrary to Ohio law, actual receipts were less than estimated resources during 2009 in the General fund by \$3,139 and in the Special Revenue Fund by \$240.

VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 3 - BUDGETARY ACTIVITY:- (continued)

Budgetary activity for the year ending December 31, 2008 was as follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 23,230	\$ 23,977	\$ 747
Special Revenue	11,331	10,373	(958)
Total	\$ 34,561	\$ 34,350	\$ (211)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 67,255	\$ 32,022	\$ 35,233
Special Revenue	50,673	7,215	43,458
Total	\$ 117,928	\$ 39,237	\$ 78,691

Contrary to Ohio law, actual receipts were less than estimated resources during 2008 in the Special Revenue Funds by \$958.

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE 4 - PROPERTY TAX:-

Real property taxes become a lien on January 1, preceding the October 1 date for which rates are adopted by the Village Council. The State Council of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. The personal property tax is being phased out over a five year period.

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

NOTE 5 - RETIREMENT SYSTEMS:-

Village officials have an option to choose Social Security or the Public Employees Retirement System. As of December 31, 2009 and 2008, all Village officials have elected Social Security. The Village's liability is 6.2 percent of wages paid.

NOTE 6 - RISK MANAGEMENT:-

Commercial Insurance - The Village has obtained commercial insurance for the following risk:

- Comprehensive property and general liability; and
- Errors and omissions.
- Public Officials Bonding



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Required by Government Auditing Standards**

Village Council
Village of North Robinson
Crawford County

We have audited the financial statements of the Village of North Robinson, Crawford County, (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 2, 2010, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material financial statement misstatement will not be prevented, or detected and timely corrected.

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

We did note certain internal control matters that we reported to the Village's management in a separate letter dated June 2, 2010.

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 have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Government's management in a separate letter dated June 2, 2010.

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

Shullbrook & Manton

Certified Public Accountants

June 2, 2010

**VILLAGE OF NORTH ROBINSON
CRAWFORD COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2007-001	Significant Deficiency- Internal Control and Review Procedures	Yes	Finding no longer valid.



Mary Taylor, CPA
Auditor of State

VILLAGE OF NORTH ROBINSON

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 10, 2010**