

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Members of Village Council
Village of Cridersville
110 West Main Street
Cridersville, Ohio 45806

We have reviewed the *Independent Auditor's Report* of the Village of Cridersville, Auglaize County, prepared by E.S. Evans and Company, for the audit period January 1, 2007 through December 31, 2008. 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 Auditor's 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 Auditor's 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 Cridersville is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 13, 2009

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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E.S. Evans and Company

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June 12, 2009

INDEPENDENT AUDITOR'S REPORT

Village of Cridersville
Auglaize County, Ohio

We have audited the accompanying financial statements of the Village of Cridersville, Auglaize County, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

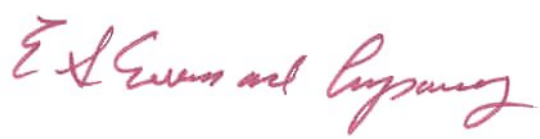
Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present its larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2008 and 2007 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, 2008 and 2007, or their changes in financial position or cash flows of its proprietary funds for the year 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 as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village 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 12, 2009, 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.

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2008

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 92,915	\$ 40,797	\$ -
Municipal Income Tax	274,387	-	-
Intergovernmental Revenues	223,226	88,116	-
Charges for Services	-	57,360	-
Fines, Licenses, and Permits	24,184	2,881	-
Interest Revenues	17,890	1,587	-
Miscellaneous	16,453	-	-
Total Cash Receipts	649,055	190,741	-
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	339,554	85,919	-
Leisure Time Activities	9,995	-	-
Community Environment	18,432	-	-
Basic Utility Services	15,023	-	-
Transportation	9,111	139,541	-
General Government	151,183	-	-
Capital Outlay	174,696	16,812	-
Debt Service:			
Redemption of Principal	-	-	16,594
Interest and Other Fiscal Charges	-	-	-
Total Cash Disbursements	717,994	242,272	16,594
Total Cash Receipts Over/(Under)			
Cash Disbursements	(68,939)	(51,531)	(16,594)
<u>Other Financing Sources/(Uses):</u>			
Proceeds from Loans/Sale of Notes	99,176	-	-
Transfers-In	3,828	30,000	13,765
Transfers-Out	(40,935)	(828)	-
Total Other Financing Sources/(Uses)	62,069	29,172	13,765
<u>Excess of Cash Receipts and Other Financing Sources Over/(Under)</u>			
Cash Disbursements	(6,870)	(22,359)	(2,829)
<u>Fund Cash Balance - January 1, 2008</u>	342,792	104,803	2,829
<u>Fund Cash Balance - December 31, 2008</u>	\$ 335,922	\$ 82,444	\$ -

The accompanying notes are an integral part
of these financial statements.

<u>Governmental Fund Type</u>	<u>Totals</u>
<u>Capital Projects</u>	<u>(Memorandum Only)</u>
\$ -	\$ 133,712
-	274,387
-	311,342
-	57,360
-	27,065
-	19,477
-	16,453
-	839,796
-	425,473
-	9,995
-	18,432
-	15,023
-	148,652
-	151,183
5,498	197,006
-	16,594
-	-
5,498	982,358
(5,498)	(142,562)
-	99,176
-	47,593
(17,315)	(59,078)
(17,315)	87,691
(22,813)	(54,871)
22,813	473,237
\$ -	\$ 418,366

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPES

For the Year Ended December 31, 2008

<u>Operating Cash Receipts:</u>	
Charges for Services	\$ <u>579,493</u>
<u>Operating Cash Disbursements:</u>	
Personal Services	192,994
Travel Transportation	456
Contractual Services	140,798
Material and Supplies	109,360
Capital Outlay	<u>46,598</u>
Total Operating Cash Disbursements	<u>490,206</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	<u>89,287</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>	
Intergovernmental Receipts	3,422
Proceeds from Loans/Sale of Notes	-
Debt Service -	
Principal	(177,671)
Interest	<u>(42,690)</u>
Total Non-Operating Cash Receipts/(Disbursements)	<u>(216,939)</u>
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>(127,652)</u>
Operating Transfers-In	17,315
Operating Transfers-Out	<u>(5,830)</u>
Total Transfers and Advances	<u>11,485</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	(116,167)
<u>Fund Cash Balance</u> - January 1, 2008	<u>393,565</u>
<u>Fund Cash Balance</u> - December 31, 2008	<u>\$ <u>277,398</u></u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2007

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 119,983	\$ 35,951	\$ -
Municipal Income Tax	277,080	-	-
Intergovernmental Revenues	265,261	97,071	-
Charges for Services	-	56,738	-
Fines, Licenses, and Permits	18,533	2,562	-
Interest Revenues	46,552	2,409	-
Miscellaneous	21,723	-	-
Total Cash Receipts	749,132	194,731	-
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	376,626	67,192	-
Leisure Time Activities	19,335	-	-
Community Environment	43,855	-	-
Basic Utility Services	15,644	-	-
Transportation	-	175,720	-
General Government	165,766	-	-
Capital Outlay	10,809	214,228	-
Debt Service:			
Redemption of Principal	-	-	19,741
Interest and Other Fiscal Charges	-	-	363
Total Cash Disbursements	632,035	457,140	20,104
Total Cash Receipts Over/(Under)			
Cash Disbursements	117,097	(262,409)	(20,104)
<u>Other Financing Sources/(Uses):</u>			
Proceeds from Loans/Sale of Notes	-	-	-
Transfers-In	9,899	50,000	27,232
Transfers-Out	(74,403)	-	(6,899)
Total Other Financing Sources/(Uses)	(64,504)	50,000	20,333
<u>Excess of Cash Receipts and Other Financing Sources Over/(Under)</u>			
Cash Disbursements	52,593	(212,409)	229
<u>Fund Cash Balance - January 1, 2007</u>	290,199	317,212	2,600
<u>Fund Cash Balance - December 31, 2007</u>	\$ 342,792	\$ 104,803	\$ 2,829

The accompanying notes are an integral part
of these financial statements.

Governmental Fund Type	Totals (Memorandum Only)
Capital Projects	
\$ -	\$ 155,934
-	277,080
-	362,332
-	56,738
-	21,095
-	48,961
-	21,723
-	943,863
-	443,818
-	19,335
-	43,855
-	15,644
-	175,720
-	165,766
137,108	362,145
-	19,741
-	363
137,108	1,246,387
(137,108)	(302,524)
113,176	113,176
29,430	116,561
-	(81,302)
142,606	148,435
5,498	(154,089)
17,315	627,326
\$ 22,813	\$ 473,237

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPES

For the Year Ended December 31, 2007

<u>Operating Cash Receipts:</u>	
Charges for Services	\$ <u>587,316</u>
<u>Operating Cash Disbursements:</u>	
Personal Services	148,313
Travel Transportation	20
Contractual Services	118,914
Material and Supplies	102,015
Capital Outlay	<u>90,085</u>
Total Operating Cash Disbursements	<u>459,347</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	<u>127,969</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>	
Intergovernmental Receipts	753
Proceeds from Loans/Sale of Notes	-
Debt Service -	
Principal	(38,440)
Interest	<u>(43,606)</u>
Total Non-Operating Cash Receipts/(Disbursements)	<u>(81,293)</u>
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>46,676</u>
Operating Transfers-In	-
Operating Transfers-Out	<u>(35,259)</u>
Total Transfers and Advances	<u>(35,259)</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	11,417
<u>Fund Cash Balance</u> - January 1, 2007	<u>382,148</u>
<u>Fund Cash Balance</u> - December 31, 2007	<u>\$ <u>393,565</u></u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Cridersville, Auglaize County, (the Village), as a political and corporate body. A publicly-elected six-member Council governs the Village. The Village provides general governmental services including public safety, street maintenance, and water and sewer facilities.

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

Basis of Accounting

These financial statements follow the accounting basis prescribed or permitted by the Auditor of State. This basis is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts are recognized when received 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.

Cash and Investments

The Village maintains two checking accounts and a savings account which are valued at cost.

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 reports all financial resources except those required to be accounted for in another fund.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Funds

The Special Revenue Funds account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant special revenue funds:

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

Fire & Rescue Fund – This fund receives property tax money and contract income from surrounding Townships to provide fire protection services.

Permissive Motor Vehicle License Fund – This fund receives the proceeds of a levied license fee for constructing, maintaining, and repairing roads.

Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Construction Capital Improvement Fund - This fund accounts for various grants and loans to pay for needed improvements.

Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

E. Main Street Loan Retirement Fund -This fund is responsible for paying the debt from a commercial loan used for a street paving project.

Enterprise Funds

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Enterprise Funds – (continued)

Water Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sanitary Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Water Tower Loan Fund – This fund transfers money in to pay the related debt of the Village.

Sanitary Sewer Improvement Fund – This fund transfers money in to pay the related debt of the Village.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted.

Estimated Resources

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

Appropriations

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgetary Process – (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. The Village did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

Property, Plant and Equipment

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

Accumulated Leave

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

Note 2 – Equity in Pooled Cash

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

		2008		2007
Demand Deposits	\$	<u>695,764</u>	\$	<u>866,802</u>

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 918,234	\$ 752,059	\$ (166,175)
Special Revenue	351,304	220,741	(130,563)
Debt Service	16,594	13,765	(2,829)
Capital Projects	22,813	-	(22,813)
Enterprise	964,637	600,230	(364,407)
	\$ 2,273,582	\$ 1,586,795	\$ (686,787)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 839,489	\$ 758,929	\$ 80,560
Special Revenue	299,229	243,100	56,129
Debt Service	16,594	16,594	-
Capital Projects	22,813	22,813	-
Enterprise	873,681	716,397	157,284
	\$ 2,051,806	\$ 1,757,833	\$ 293,973

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 3 – Budgetary Activity – (continued)

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted</u> <u>Receipts</u>	<u>Actual</u> <u>Receipts</u>	<u>Variance</u>
General	\$ 1,034,527	\$ 759,031	\$ (275,496)
Special Revenue	581,914	244,731	(337,183)
Debt Service	29,835	27,232	(2,603)
Capital Projects	142,606	142,606	-
Enterprise	947,363	588,069	(359,294)
	<u>\$ 2,736,245</u>	<u>\$ 1,761,669</u>	<u>\$ (974,576)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation</u> <u>Authority</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Variance</u>
General	\$ 796,753	\$ 706,438	\$ 90,315
Special Revenue	507,257	457,140	50,117
Debt Service	29,832	27,003	2,829
Capital Projects	132,430	137,108	(4,678)
Enterprise	773,062	576,652	196,410
	<u>\$ 2,239,334</u>	<u>\$ 1,904,341</u>	<u>\$ 334,993</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Capital Projects – Construction Capital Improvement Fund by \$4,678 at December 31, 2007.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 4 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

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

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on the Village's behalf.

Note 5 – Local Income Tax

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

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The Village has a contract with City of Cleveland - Central Collection Agency to collect income tax on behalf of the Village.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 6 - Debt Obligations

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission - CM506	\$ 7,884	0.00%
Ohio Public Works Commission - CM31E	24,320	0.00%
Ohio Public Works Commission - CM29A	24,861	0.00%
Ohio Public Works Commission - CM21D	52,325	0.00%
Ohio Public Works Commission - CM15H	165,955	0.00%
Ohio Public Works Commission - CM17J	107,517	0.00%
Ohio Water Development Authority Note	536,566	6.41%
Ohio Water Development Authority Planning Loan	10,250	0.00%
Land Contract	<u>99,176</u>	0.00%
Total	<u>\$ 1,028,854</u>	

The Village has six non-interest bearing loans at December 31, 2008 that were obtained through the Ohio Public Works Commission. Proceeds from these loans were used for street resurfacing, street reconstruction, and water treatment improvements. Each loan has a repayment period of 20 years with semi-annual payment due of \$876 on loan CM506, \$935 on loan CM31E, \$1,381 on loan CM29A, \$2,275 on loan CM21D, \$5,186 on loan CM15H, and \$5,659 on loan CM17J.

The Ohio Water Development Authority note is a 25 year note requiring semi-annual payments of principal and interest in the amount of \$26,140. The proceeds of this loan was used for water tower construction.

The Ohio Water Development Authority Planning Loan is an interest free loan that the Village borrowed for wastewater planning. Annual payments are due over a period of 10 years in the amount of \$2,050 each.

The Land Contract Loan is an interest free loan on a purchase of land. \$55,836 was paid upon purchase with \$49,588 due on May 5, 2009 and May 5, 2010.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 6 - Debt Obligations - (continued)

The annual requirements to amortize all debt outstanding as of December 31, 2008, including interest payments of \$352,189 are scheduled as follows:

Year Ending December 31,	OWDA Loans	OPWC Loans	Land Contract	TOTAL
2009	\$ 54,330	\$ 26,967	\$ 49,588	\$ 130,885
2010	54,330	26,967	49,588	130,885
2011	54,330	26,967	-	81,297
2012	54,330	26,967	-	81,297
2013	54,330	26,088	-	80,418
2014-2018	261,398	123,308	-	384,706
2019-2023	261,398	92,592	-	353,990
2024-2028	104,559	33,006	-	137,565
	\$ 899,005	\$ 382,862	\$ 99,176	\$ 1,381,043

Note 7 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

The Village's employees, excluding the Village's law enforcement officers, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007, OPERS members contributed 9.5 percent of their gross salary. The Village contributed an amount equal to 13.85 percent of participants' gross salaries. For 2008, OPERS members contributed 10.0 percent of their gross salary. The Village contributed an amount equaling 14.0 percent of participants' gross salaries. The Village has paid all required contributions through December 31, 2008.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 7 – Retirement Systems – (continued)

Police and Firemen’s Disability and Pension Fund

The Village of Cridersville’s uniformed police employees participate in the Ohio Police and Fire Pension Funds (OP&F). This is a multi-employer cost sharing public employees’ retirement system. The Ohio Revised Code prescribes the plan’s retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2008, OP&F members contributed 10 percent of their gross salary. The Village contributed an amount equal to 19.5 percent of participants’ gross salaries. The Village has paid all required contributions through December 31, 2008.

Note 8 - Risk Management

The Village belongs to the Ohio Government Risk Management Plan (“the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550,460 Ohio governments (“Members”).

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member’s needs. The Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the Member’s deductible.

The Plan issues its own policies and reinsures the Plan with A-VII or better rated carriers, except the Plan retains the lesser of 15 percent or \$37,500 of casualty losses and the lesser of 10 percent or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settled amounts did not exceed insurance coverage for the past three years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 8 - Risk Management – (continued)

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and Member's Equity at December 31, 2007 and 2006 (the latest information available):

		<u>2007</u>		<u>2006</u>
Assets	\$	11,136,455	\$	9,620,148
Liabilities		(4,273,553)		(3,329,620)
Member's Equity	\$	<u>6,862,902</u>	\$	<u>6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

Note 9 – Lease Purchase Agreement

The Village entered into a lease-purchase agreement with First Bankers Corporation for the purchase of a Pumper Firetruck on August 14, 2006. Total purchase price was \$274,973 with \$194,973 paid upon purchase. The balance of \$80,000 was financed through First Bankers Corporation under a lease/purchase agreement for a period of 5 years. Total remaining principal owed under this lease is \$49,792 with \$15,789 being due in 2009, \$16,584 being due in 2010, and \$17,418 being due in 2011.

The Village entered into a lease-purchase agreement with GMAC for the purchase of a 2008 Chevy Tahoe on March 4, 2008. Total purchase price was \$26,449. Total remaining principal owed under this lease is \$16,784 with \$7,994 being due in 2009 and \$8,790 being due in 2010.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 9 – Lease Purchase Agreement – (continued)

The future annual requirements on the lease-purchase agreements as of December 31, 2008 are scheduled as follows including interest of \$7,639:

<u>Year Ending</u> <u>December 31,</u>	<u>Wells</u> <u>Fargo</u>	<u>GMAC</u>	<u>TOTAL</u>
2009	\$ 18,295	\$ 9,665	\$ 27,960
2010	18,295	9,665	27,960
2011	18,295	-	18,295
	<u>\$ 54,885</u>	<u>\$ 19,330</u>	<u>\$ 74,215</u>

Note 10 - Subsequent Events

The Village had the following material matter occur after December 31, 2008:

- On March 9, 2009 bids were opened for the West Main Street resurfacing and curb project and the low bid was awarded in the amount of \$108,189. The Village will be paying for this through an Issue I interest-free loan.
- On June 8, 2009, the Village entered into a contract for paving in the amount of approximately \$130,000. The Village was awarded a grant in the amount of \$116,000 and will pay the balance with Village funds.

Note 11 – Other Material Noncompliance

Contrary to Ohio law, the Village did not issue a purchase order prior to making some purchases of goods and services.

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Steven D. Hooker, CPA • John E. Klay, CPA

June 12, 2009

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

Village of Cridersville
Auglaize County, Ohio

We have audited the financial statements of the Village of Cridersville, Auglaize County, Ohio, (the Village as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 12, 2009, 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 of Cridersville's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cridersville's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Cridersville's internal control over financial reporting.

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 internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Cridersville's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of Cridersville's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2008-001.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Cridersville's internal control.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Village of Cridersville's management in separate letter dated June 12, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Cridersville'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 an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings as item 2008-001.

In a separate letter to the Village of Cridersville's management dated June 12, 2009, we reported other matters related to noncompliance.

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

We intend this report solely for the information and use of management of the Village of Cridersville and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. ... and ...", is located in the lower right quadrant of the page.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2008-001 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code § 5705.41 (D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless there is attached thereto a signed certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

However, there are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate — If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate — Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2008-001 – Noncompliance Citation and Significant Deficiency – (continued)

3. Super Blanket Certificate — The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Seventy-six percent of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred. Failure to properly certify the availability of funds can result in overspending funds and possible negative fund cash balances.

Unless the exceptions noted above are used, prior certification is not only required by Ohio law, but is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of Village funds being over expended or exceeding budgetary spending limitations as set by the Village Council.

To improve controls over disbursements, we recommend all Village disbursements receive certification of the Fiscal Officer prior incurring the obligation. When prior certification is not possible, “then and now” certification should be used.

VILLAGE RESPONSE – The Village is working to correct this problem.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008 and 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	Purchase Orders not always issued	No	Repeat as comment 2008-001



Mary Taylor, CPA
Auditor of State

VILLAGE OF CRIDERSVILLE

AUGLAIZE 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
JULY 23, 2009