

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**





# 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, 2008 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.

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

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## 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, 2008, 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, 2008, 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 29, 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.

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, 2008  
UNAUDITED**

This discussion and analysis of the Village of Crooksville's (also referred to as the Villages) financial performance provides an overall review of the Villages financial activities for the year ended December 31, 2008, within the limitations of the Villages modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Villages financial performance.

**HIGHLIGHTS**

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$4,312 or .7%. The fund most affected by the increase in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2008; however, cost increases affected most funds.

Property receipts for 2008 relatively stayed the same while the income tax increased compared to 2007.

The Village has two business-type activities. They are the water and sewer funds. The net assets increased by \$33,547 or 8.3%. There is an increase in the sewage replacement fund due to not having as many expenses to pump stations and also a decrease in the number of employees. The water fund also reflects \$256,266 for monies received for a waterline extension project for the Saltillo-Cloverhill project which is to be completed in 2009. Also the Sewage Replacement transferred \$59,358 to sewage Debt Reserve per instructions of Rural Development to be set aside to be used in an emergency for payment of the annual sewage debt.

**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 Village's modified cash basis of accounting.

**Report Components**

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the 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, 2008  
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 modified 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 2008, 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 Villages 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 Villages financial health. Over time, increases or decreases in the Village's modified cash position is one indicator of whether the Villages 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 Government 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, 2008  
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 Villages 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, Municipal Debt Service, State Highway, EMS, and Income Tax. 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, Guarantee Deposit, Sewage Replacement, Sewage System, Water Contingency, U.S.D.A. Sewage Debt Reserve, Roseville Debt Service, W.W. Reserve and W.W. Capital 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, 2008  
UNAUDITED**

Table 2 reflects changes in net assets in 2008.

(Table 2)

**Changes in Net Assets**

	Governmental Activities 2008	Business-Type Activities 2008	Total 2008
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$217,102	\$1,124,326	\$1,341,428
Operating Grants and Contributions	219,841	\$292,691	512,532
Capital Grants and contributions	11,212		11,212
<b>Total Program Receipts</b>	<b>448,155</b>	<b>1,417,017</b>	<b>1,865,172</b>
General Receipts:			
Property and Other Local Taxes	127,547		127,547
Income Taxes	592,428		592,428
Grants and Entitlements Not Restricted to Specific Programs	53,482	23,175	76,657
Sale of Bonds	946,900		946,900
Interest	36,816	1,492	38,308
Miscellaneous	6,194		6,194
<b>Total General Receipts</b>	<b>1,763,367</b>	<b>24,667</b>	<b>1,788,034</b>
<b>Total Receipts</b>	<b>2,211,522</b>	<b>1,441,684</b>	<b>3,653,206</b>
Disbursements:			
General Government	362,874		362,874
Security of Persons and Property	417,045		417,045
Leisure Time Activities	99,421		99,421
Other Financing		25,775	25,775
Transportation	172,882		172,882
Capital Outlay	131,916	114,295	246,211
Debt Service:	1,258,740	32,778	1,291,518
Water Operating		765,348	765,348
Sewer Operating		229,006	229,006
<b>Total Disbursements</b>	<b>2,442,878</b>	<b>1,167,202</b>	<b>3,610,080</b>
Increase (Decrease) Before Transfers	(231,356)	274,482	43,126
Transfers-In	875,355	175,511	1,050,866
Transfers-Out	(639,685)	(416,447)	(1,056,132)
<b>Increase (Decrease) in Net Assets</b>	<b>4,314</b>	<b>33,546</b>	<b>37,860</b>
Net Assets, January 1	555,456	400,545	956,001
Net Assets, December 31	<u>\$559,770</u>	<u>\$434,091</u>	<u>\$993,861</u>

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008  
UNAUDITED**

Program receipts represent only 20 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 and charges to nearby government for police services provided under contract.

General receipts represent 80 percent of the Village's total receipts, and of this amount, over 41 percent are local taxes. State and federal grants and entitlements make up much of the balance of the Village's general receipts (59 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 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**

	Total Cost of Services 2008	Net Cost of Services 2008
General Governmental	\$362,874	(\$362,874)
Security of Persons and Property	207,030	(207,030)
Leisure Time Activities	99,421	(55,929)
Transportation	172,882	(172,882)
Capital Outlay	131,916	(131,916)
Debt Services	1,258,740	(1,258,740)
Other Financing Uses	<u>639,685</u>	<u>(639,685)</u>
 Total Expenses	 <u>\$2,872,548</u>	 <u>(\$2,829,056)</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 starting a interconnect project with Burr Oak in 2009.

**THE VILLAGE'S FUNDS**

Total governmental funds had receipts of \$3,086,874 and disbursements of \$3,082,565. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$2,949 as the result of an income tax transfer. Other government funds include Municipal Debt, State Highway, EMS, Income Tax, and Other Governmental. Proprietary funds include Water Works, Sewage System, Guarantee Deposit, Water Contingency, Roseville Debt Service, W.W. Reserve, U.S.D.A. Debt Reserve, W.W. Replacement, Sewage Replacement, and W.W. Capital Improvement.

General Fund receipts were more than disbursements by \$2,949 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 2008, 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 \$693,910 while actual disbursements were \$634,403. 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 increase in fund balance of \$2,949.

**DEBT ADMINISTRATION**

At December 31, 2008, the Village's outstanding debt included \$2,834,813 in general obligation bonds 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 2009; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan become effective for 2008. We then reviewed the disbursement history of the Village. We are not planning on giving our employees and increase in salaries for 2009. 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, Fiscal Officer, Village of Crooksville, 98 S. Buckeye Street, Crooksville, Ohio 43731.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS  
DECEMBER 31, 2008**

	Governmental Activities <u>2008</u>	Business-Type Activities <u>2008</u>	Total Primary Government <u>2008</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	<u>\$559,768</u>	<u>\$434,092</u>	<u>\$993,860</u>
Total Current Assets	<u>559,768</u>	<u>434,092</u>	<u>993,860</u>
 <b>RESTRICTED NET ASSETS</b>			
Payment of Debt	57,210		57,210
Rec. Center Debt	23,104		23,104
Debt Payments	8,084		8,084
To Be Used for Court Computer	881		881
Other	2		2
Pay Sewage Debt Only in Emergency		59,358	59,358
Applying/Refunding Deposits		<u>66,602</u>	<u>66,602</u>
Total Restricted Net Assets	<u>89,281</u>	<u>125,960</u>	<u>215,241</u>
 <b>UNRESTRICTED NET ASSETS</b>			
Unrestricted Net Assets	<u>470,487</u>	<u>308,131</u>	<u>778,618</u>
Total Unrestricted Net Assets	<u>470,487</u>	<u>308,131</u>	<u>778,618</u>
	<u>\$559,768</u>	<u>\$434,091</u>	<u>\$993,859</u>

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



**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR YEAR ENDED DECEMBER 31, 2008**

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Capital Outlay	\$131,916				(\$131,916)		(\$131,916)
Debt Services	1,258,740				(1,258,740)		(1,258,740)
General Governmental	362,874	91,873			(271,001)		(271,001)
Leisure Time Activities	99,421	32,280		11,212	(55,929)		(55,929)
Other Financing Uses	1,588,555				(1,588,555)		(1,588,555)
Public Health		83,141			83,141		83,141
Public Safety		101,123	30,970		132,093		132,093
Security of Persons and Property	207,030				(207,030)		(207,030)
Transportation	172,882				(172,882)		(172,882)
<b>Total Governmental Activities</b>	<b>3,821,418</b>	<b>308,417</b>	<b>30,970</b>	<b>11,212</b>	<b>(3,470,819)</b>		<b>(3,470,819)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Guarantee Deposit Fund	9,366	15,585				6,219	6,219
Roseville Debt Service	32,778					(32,778)	(32,778)
Sewage Replacement Fund	65,394		59,600			(5,794)	(5,794)
Sewage System	446,774	427,866				(18,908)	(18,908)
W.W. Capital Improvement	23,958					(23,958)	(23,958)
W.W. Replacement	12,159					(12,159)	(12,159)
W.W. Reserve	4,250					(4,250)	(4,250)
Water Contingency	24,943					(24,943)	(24,943)
Water Works Fund	964,026	680,875	233,091			(50,060)	(50,060)
<b>Total Business-Type Activities</b>	<b>1,583,648</b>	<b>1,124,326</b>	<b>292,691</b>			<b>(166,631)</b>	<b>(166,631)</b>
<b>Total Primary Government</b>	<b>\$5,405,066</b>	<b>\$1,432,743</b>	<b>\$323,661</b>	<b>\$11,212</b>	<b>(3,470,819)</b>	<b>(166,631)</b>	<b>(3,637,450)</b>
<b>GENERAL RECEIPTS</b>							
Property and Other Local Taxes					88,095		88,095
Municipal Income Taxes					592,428		592,428
Intergovernmental					188,671		188,871
Intergovernmental						439,981	439,981
Charges for Services					1,618		1,618
Earnings on investments					36,816	1492	38,308
Miscellaneous					3,844		3,844
Proceeds from Debt					2,322,363		2,322,363
<b>Total General Receipts</b>					<b>3,233,835</b>	<b>441,473</b>	<b>3,675,508</b>
Transfers					240,935	(240,935)	
<b>Total General Receipts &amp; Transfers</b>					<b>3,474,770</b>	<b>200,538</b>	<b>3,675,308</b>
Change in Net Assets					3,951	33,907	37,858
Net Assets Beginning of Year					555,817	400,184	956,001
Net Assets End of Year					<b>\$559,768</b>	<b>434,091</b>	<b>\$993,859</b>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	General	Municipal Debt	State Highway	EMS	Income Tax	Other Governmental	Totals
<b>ASSETS</b>							
Cash and Cash Equivalents	\$45,353	\$23,104	\$71,255	\$140,174	\$56,519	\$223,364	\$559,769
Total Assets	<u>\$45,353</u>	<u>\$23,104</u>	<u>\$71,255</u>	<u>\$140,174</u>	<u>\$56,519</u>	<u>\$223,364</u>	<u>\$559,769</u>
<b>FUND BALANCES</b>							
Reserved:							
Reserved for Encumbrances	\$7,223			\$189	\$187	\$14,900	\$22,499
Unreserved:							
General	38,130						38,130
Special Revenue			\$71,255	\$139,985	56,331	109,779	377,350
Capital Projects						33,390	33,390
Debt Service		23,104				65,295	88,399
Total Fund Balances	<u>\$45,353</u>	<u>\$23,104</u>	<u>\$71,255</u>	<u>\$140,174</u>	<u>\$56,518</u>	<u>\$223,364</u>	<u>\$559,768</u>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN MODIFIED  
CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Municipal Debt	State Highway	EMS	Income Tax	Other Governmental	Totals
<b>REVENUE:</b>							
Property and Other Local Taxes	\$27,989					\$99,558	\$127,547
Municipal Income Taxes					592,428		592,428
Intergovernmental	76,677		7,494			104,700	188,871
Intergovernmental						42,182	42,182
Charges for Services	46,792			83,141	19	87,149	217,101
Fines, Licenses, and Permits	52,551					931	53,482
Earnings on investments	9,770		\$15,495	3,258		8,293	36,816
Miscellaneous				393		3,451	3,844
<b>Total Receipts</b>	<b>213,779</b>		<b>22,989</b>	<b>86,792</b>	<b>592,447</b>	<b>346,264</b>	<b>1,262,271</b>
<b>DISBURSEMENTS:</b>							
<b>Current:</b>							
Security of Persons and Property	308,425		2,610	63,642		42,368	417,045
Leisure Time Activities						99,421	99,421
Transportation						172,882	172,882
General Government	302,721	9,049			49,080	2,024	362,874
Capital Outlay	1,146					130,771	131,917
Debt Services		1,006,342				252,399	1,258,741
<b>Total Disbursements</b>	<b>612,292</b>	<b>1,015,391</b>	<b>2,610</b>	<b>63,642</b>	<b>49,080</b>	<b>699,865</b>	<b>2,442,880</b>
Excess Receipts Over/(Under) Disbursements	(398,513)	(1,015,391)	20,379	23,150	543,367	(353,601)	(1,180,609)
<b>OTHER FINANCING SOURCES (USES)</b>							
Other Financing Sources	416,350	1,006,341		45,000		356,913	1,824,604
Other Financing Uses	(14, 888)		(1,540)	(63,018)	(504, 814)	(55,425)	(639,685)
<b>Total Other Financing Sources (Uses)</b>	<b>401,462</b>	<b>1,006,341</b>	<b>(1,540)</b>	<b>(18,018)</b>	<b>(504, 814)</b>	<b>301,488</b>	<b>1,184,919</b>
Net Change in Fund Balances	2,949	(9,050)	18,839	5,132	38,553	(52,113)	3,949
Fund Balances Beginning of Year	42,404	32,153	52,416	135,042	17,965	275,837	555,817
<b>FUND BALANCES END OF YEAR</b>	<b>\$45,353</b>	<b>\$23,103</b>	<b>\$71,255</b>	<b>\$140,174</b>	<b>\$56,518</b>	<b>\$223,724</b>	<b>\$559,766</b>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND NET ASSETS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Water	Sewage	Guarantee	Water	Roosevelt	USDA	W.W.	W.W.	Sewage	W.W.	Total
	Works	System	Deposit	Contingency	Debt	Sewage Debt	Reserve	Replacement	Replacement	Capital	
					Service	Reserve				Improvement	
<b>OPERATING RECEIPTS:</b>											
Intergovernmental	\$256,266								\$59,600		\$315,866
Charges for Services	680,875	\$427,866	\$15,585								1,124,326
Earnings on investments		190	869	\$245					188		1,492
<b>Total Operating Receipts</b>	<b>937,141</b>	<b>428,056</b>	<b>16,454</b>	<b>245</b>					<b>59,788</b>		<b>1,441,684</b>
<b>DISBURSEMENTS:</b>											
Current:											
Administrative - Water	763,304			24,943							788,247
Other Water						\$4,250		\$12,159		\$23,958	40,367
Administration - Sanitary Sewers and Sewage		288,364									288,364
Other Sanitary Sewers and Sewage					32,778				6,036		38,814
Other Basic Utility Service			9,366								9,366
Capital Outlay	2,044										2,044
<b>Total Disbursements</b>	<b>765,348</b>	<b>288,364</b>	<b>9,366</b>	<b>24,943</b>	<b>32,778</b>	<b>4,250</b>		<b>12,159</b>	<b>6,036</b>	<b>23,958</b>	<b>1,167,202</b>
Excess Receipts Over/ (Under) Disbursements	171,793	139,692	7,088	(24,698)	(32,778)	(4,250)		(12,159)	53,752	(23,958)	274,482
<b>OTHER FINANCING SOURCES</b>											
Other Financing Sources	137	4,568		22,908	32,778	3,790	\$59,358	10,207	30,000	11,765	175,511
Transfers	(198,678)	(158,410)							(59,358)		(416,446)
<b>Total Other Financing Sources (Uses)</b>	<b>(198,541)</b>	<b>(153,842)</b>		<b>22,908</b>	<b>32,778</b>	<b>3,790</b>	<b>59,358</b>	<b>10,207</b>	<b>(29,358)</b>	<b>11,765</b>	<b>(240,935)</b>
Net Change in Fund Balances	(26,748)	(14,150)	7,088	(1,790)		(460)	59,358	(1,952)	24,394	(12,193)	33,547
Net Assets Beginning of Year	52,781	170,286	59,515	32,107		15,935		15,084	25,493	29,345	400,183
<b>NET ASSETS END OF YEAR</b>	<b>\$26,033</b>	<b>\$156,136</b>	<b>\$66,603</b>	<b>\$30,317</b>		<b>\$15,475</b>	<b>\$59,358</b>	<b>\$13,132</b>	<b>\$49,887</b>	<b>\$17,152</b>	<b>\$434,093</b>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Property and Other Local Taxes	\$24,650	\$21,312	\$27,989	\$6,677
Intergovernmental	72,607	68,536	76,677	8,141
Charges for Services	38,540	30,287	46,792	16,505
Fines, Licenses, and Permits	73,250	93,950	52,551	(41,399)
Earnings on investments	12,000	14,947	9,770	(5,177)
Miscellaneous	300	600		(600)
Total Receipts	221,347	229,632	213,779	(15,853)
<b>DISBURSEMENTS:</b>				
Security of Persons and Property	306,598	291,449	313,917	(22,468)
General Government	354,848	386,428	304,453	81,975
Capital Outlay		1,146	1,146	
Total Disbursements	661,446	679,023	619,516	59,507
Excess Receipts Over/(Under) Disbursements	(440,099)	(449,391)	(405,737)	(43,654)
<b>OTHER FINANCING SOURCES (USES)</b>				
Other Financing Sources	401,000	385,650	416,350	30,700
Other Financing Uses	(14,888)	(14,887)	(14,888)	(1)
Total Other Financing Sources (Uses)	386,112	370,763	401,462	30,699
Net Change in Fund Balances	(53,987)	(78,628)	(4,275)	74,353
Fund Balance Beginning of Year	2,849	2,849	2,849	
Prior Year Encumbrances Appropriated	39,555	39,555	39,555	
<b>FUND BALANCE END OF YEAR</b>	<b>(\$11,583)</b>	<b>(\$36,224)</b>	<b>\$38,129</b>	<b>\$74,353</b>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
STATE HIGHWAY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>RECEIPTS:</b>				
Intergovernmental	\$7,494	\$7,494	\$7,494	
Earnings on investments	<u>14,366</u>	<u>14,366</u>	<u>15,495</u>	<u>\$1,129</u>
Total Receipts	<u>21,860</u>	<u>21,860</u>	<u>22,989</u>	<u>1,129</u>
<b>DISBURSEMENTS:</b>				
Security of Persons and Property	2,610	2,610	2,610	
Transportation	<u>400</u>	<u>800</u>	<u>          </u>	<u>800</u>
Total Disbursements	<u>3,010</u>	<u>3,410</u>	<u>2,610</u>	<u>800</u>
Excess Receipts Over/(Under) Disbursements	<u>18,850</u>	<u>18,450</u>	<u>20,379</u>	<u>1,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other Financing Uses	<u>          </u>	<u>(1,540)</u>	<u>(1,540)</u>	<u>          </u>
Net Change in Fund Balances	18,850	16,910	18,839	1,929
Fund Balance Beginning of Year	<u>52,416</u>	<u>52,416</u>	<u>52,416</u>	<u>          </u>
<b>FUND BALANCE END OF YEAR</b>	<u><u>\$71,266</u></u>	<u><u>\$69,326</u></u>	<u><u>\$71,255</u></u>	<u><u>\$1,929</u></u>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
EMS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS:				
Charges for Services	\$83,113	\$83,113	\$83,141	\$28
Earnings on investments	3,158	3,158	\$3,258	100
Miscellaneous	393	393	393	
Total Receipts	86,664	86,664	86,792	128
DISBURSEMENTS:				
Security of Persons and Property	74,315	84,857	63,831	21,026
Total Disbursements	74,315	84,857	63,831	21,026
Excess Receipts Over/(Under) Disbursements	12,349	1,807	22,961	21,154
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	45,000	45,000	45,000	
Other Financing Uses	(12,340)	(54,712)	(63,018)	(8,306)
Net Change in Fund Balances	45,009	(7,905)	4,943	12,848
Fund Balance Beginning of Year	133,387	133,387	133,387	
Prior Year Encumbrances Appropriated	1,655	1,655	1,655	
FUND BALANCE END OF YEAR	\$180,051	\$127,137	\$139,985	\$12,848

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
INCOME TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS:				
Municipal Income Taxes	\$592,428	\$592,428	\$592,428	
Charges for Services	<u>20</u>	<u>20</u>	<u>19</u>	<u>(\$1)</u>
Total Receipts	<u>592,448</u>	<u>592,448</u>	<u>592,447</u>	<u>(1)</u>
DISBURSEMENTS:				
Security of Persons and Property	<u>51,566</u>	<u>49,128</u>	<u>49,267</u>	<u>(139)</u>
Total Disbursements	<u>51,566</u>	<u>49,128</u>	<u>49,267</u>	<u>(139)</u>
Excess Receipts Over/(Under) Disbursements	<u>540,882</u>	<u>543,320</u>	<u>543,180</u>	<u>(140)</u>
OTHER FINANCING SOURCES (USES)				
Other Financing Uses	<u>(466,000)</u>	<u>(466,814)</u>	<u>(504,814)</u>	<u>(38,000)</u>
Net Change in Fund Balances	<u>74,882</u>	<u>76,506</u>	<u>38,366</u>	<u>(38,140)</u>
Fund Balance Beginning of Year	12,773	12,773	12,773	
Prior Year Encumbrances Appropriated	<u>5,193</u>	<u>5,193</u>	<u>5,193</u>	
FUND BALANCE END OF YEAR	<u><u>\$92,848</u></u>	<u><u>\$94,472</u></u>	<u><u>\$56,332</u></u>	<u><u>(\$38,140)</u></u>

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



**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**STATEMENT OF FUND NET ASSETS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
DECEMBER 31, 2008**

	Water Works	Sewage System	Guarantee Deposit	Water Contingency	W.W. Reserve	USDA Sewage Debt Reserve	W.W. Replacement	Sewage Replacement	W.W. Capital Improvement	Total
<b>ASSETS</b>										
Cash and Cash Equivalents	\$26,033	\$156,136	\$66,602	\$30,317	\$15,475	\$59,358	\$13,132	\$49,886	\$17,151	\$434,090
Total Assets	<u>\$26,033</u>	<u>\$156,136</u>	<u>\$66,602</u>	<u>\$30,317</u>	<u>\$15,475</u>	<u>\$59,358</u>	<u>\$13,132</u>	<u>\$49,886</u>	<u>\$17,151</u>	<u>\$434,090</u>
<b>NET ASSETS</b>										
Fund Equity - Unreserved	\$26,033	\$156,136	\$66,602	\$30,317	\$15,475	\$59,358	\$13,132	\$49,886	\$17,151	\$434,090
Total Net Assets	<u>\$26,033</u>	<u>\$156,136</u>	<u>\$66,602</u>	<u>\$30,317</u>	<u>\$15,475</u>	<u>\$59,358</u>	<u>\$13,132</u>	<u>\$49,886</u>	<u>\$17,151</u>	<u>\$434,090</u>

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**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 modified cash basis of accounting. This modified 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 modified 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, 2008**

**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, 2008**

**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 Villages 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.

*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.

*Municipal Debt Fund* - This fund receives monies for the payment of municipal debt.

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, 2008**

**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.

*Roseville Debt Service* - The Roseville Debt Service Fund is to pay amounts due to the Roseville Utilities.

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

*W.W. Replacement* - The Water Works Replacement Fund is to account for replacements in the water works system.

*W.W. Capital Improvement* - The Water Works Capital Improvement Fund accounts for capital improvements in 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 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, 2008**

**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 Equivalents".

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, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**E. Cash and Investments** (continued)

During 2008, 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, 2008.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited were \$38,308.

**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, 2008**

**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**

Last year the village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the Stat Auditor's Office. 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, 2008**

**4. ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

None is apparent.

**B. Compliance**

Finding 2008-01 and 2008-02 where appropriations exceeded estimated resources and expenditures exceeded appropriations..

**5. 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 are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) 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 (cash basis) (and outstanding year end advances are treated as another financing source or use (budgetary basis) rather than as an interfund receivable or payable cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$7,223 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.

**6. 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:

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**6. DEPOSITS AND INVESTMENTS** (continued)

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;
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 \$901 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 \$828,817. Of the bank balance \$250,000 was covered by federal depository insurance and \$578,817 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.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**6. DEPOSITS AND INVESTMENTS (continued)**

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. 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.

**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 \$579,193 of the Village's bank balance of \$828,817 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, 2008, the Village had the following investments:

	<u>Carrying Value</u>
STAR Ohio	<u>\$167,330</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.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**6. DEPOSITS AND INVESTMENTS (continued)**

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."

**7. 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.

**8. 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 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 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 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2008 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 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 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, 2008; if paid semiannually, the first payment is due April 30, with the remainder payable by July 18, 2008.

The full tax rate for all Village operations for the year ended December 31, 2008, was \$59.80 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**8. PROPERTY TAX (continued)**

Real Property:	
Residential	\$14,182,770
Agriculture	36,320
Commercial/Industrial/Mineral	4,535,430
Public Utility Property:	
Real	16,620
Personal	3,349,130
Tangible Personal Property	<u>320,220</u>
Total Assessed Value	<u>\$22,440,490</u>

**9. INTERFUND RECEIVABLES/PAYABLES**

There were no interfund receivables balances at December 31, 2008.

**10. RISK MANAGEMENT**

The Village has insurance with Firemen's Fund Insurance Company. Our agent is McBane Insurance Agency.

Casualty excess-of-loss contracts at December 31, 2008 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, Employment Practice Liability - Exceeding \$2,500.

Property coverage contracts protect against losses, subject to a deductible of \$1,000, limited to an annual aggregate loss of NA - no aggregate stop loss.

**11. 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.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**11 DEFINED BENEFIT PENSION PLANS** (continued)

**A. Ohio Public Employees Retirement System** (continued)

For the year ended December 31, 2008, 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 contribution rate for pension benefits for 2008 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contribution were 19.5 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, 2008, 2007 and 2006 were \$80,499, \$81,446, and \$80,876, respectively. The full amount has been contributed for 2008, 2007, and 2006.

**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, 2008, 2007, and 2006 were \$21,963, \$16,378, and \$13,691. The full amount has been contributed for 2008, 2007, and 2006.

**12. POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (OPERS)**

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 coverage. 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 2008 local government employer contribution rate was 14 percent of covered payroll (17.4 percent for public safety and law enforcement); 7:00 percent of covered payroll was the portion that was used to fund healthcare.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**12. POSTEMPLOYMENT BENEFITS** (continued)

**A. Ohio Public Employees Retirement System** (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS latest actuarial review performed as of December 31, 2007, 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 4.00 percent annually for the next seven years and 4.00 percent annually after eight years.

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 plans was 363,503. The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were 29.8 billion and \$17.0 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The 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 rate is 19.5 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the postemployment healthcare program during 2007 and 2008. 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.

The Village's actual contributions for 2008 that were used to fund postemployment benefits were \$7,599 for police. The OP&F's total healthcare expense for the year ended December 31, 2007 (the latest information available) was \$932,053. The full amount has been contributed for 2008.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**13. NOTES PAYABLE**

There were no notes payable

**14. DEBT**

The Village's long-term debt activity for the year ended December 31, 2008 was as follows:

A summary of debt for the year ended December 31, 2008 was as follows:

Business-Type Activities	Average Interest Rate	Balance			Balance December 31, 2008	Due Within One Year
		December 31, 2007	Additions	Reductions		
Municipal Debt	3.68%	\$1,771,190	\$2,322,363	\$1,258,740	\$2,834,813	\$243,806
					<u>Principle</u>	<u>Interest Rate</u>
Ohio Water Development Authority (1537)					\$475,841	7.89%
Ohio Water Development Authority Loan (3392)					34,803	6.03%
Ohio Water Development Sayre Reservoir (3957)					44,355	2.00%
Ohio Water Development Authority Loan (4686)					52,486	4.12%
Ohio Water Development Authority Loan (4913)					290,000	1.50%
Ohio Public Works Commission Water Loan (CT58B)					1,329	2.00%
Ohio Public Works Commission Water Loan (CT49A)					13,923	0.00%
Ohio Public Works Commission Water Plant (CR34D)					31,476	2.00%
Fire Station Bonds					80,000	4.68%
Mortgage Revenue Bonds					761,000	5.00%
Recreation Center Bonds					129,000	4.75%
Capital Facilities Bonds					920,600	4.20%
					<u>\$2,834,813</u>	

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.

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.



**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**14. DEBT** (continued)

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 \$6,020 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.

**15. LEASES**

The Village leases buildings, vehicles and other equipment under noncancellable leases. The Village disbursed \$22,994 to pay lease costs for the year ended December 31, 2008. Future lease payments are as follows.

<u>Year</u>	<u>Amount</u>
2009	\$32,061
2010	12,089
2011	<u>9,067</u>
	<u>\$53,217</u>

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**16. INTERFUND TRANSFERS**

During 2008 the following transfers were made:

Transfers from the General Fund to:	
Major Governmental Fund	\$582,720
Other Governmental Funds	56,965
Major Enterprise Fund	<u>416,447</u>
Total transfers	<u>\$1,056,132</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.

**17. 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.

Renovation was completed to the tennis court in our Village Park thru a NatureWorks Grant. This grant paid \$11,212 towards this project.

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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, 2008, which collectively comprise the basic financial statements and have issued our report thereon dated September 27, 2010. 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*. We noted that the Village employed the cash basis of accounting.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than 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 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 two instances

Village of Crooksville  
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of noncompliance or other matters we must report under *Government Auditing Standards* and are shown as Findings 2008-01 and 2008-02 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, and Village Council. We intend it for no one other than these specified parties.

*KNOX & KNOX*

Orrville, Ohio  
September 27, 2010

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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

FINDING NUMBER 2008-01

Noncompliance Citation

Ohio Revised Code Section 5705.39 limits appropriations to the amounts of estimated resources as certified by the County Budget Commission.

During the year ended December 31, 2008 appropriations exceeded estimated resources in the General Fund.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$615,282	\$691,910	(\$76,628)

Client Response: None

FINDING NUMBER 2008-02

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, 2008 expenditures exceeded appropriations in the following funds: General, EMS, and Income Tax.

Client Response: None

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid: <b>Explain</b>
2007-01	ORC 575.39 Appropriations shall be limited by estimated resources	No	Not Corrected; repeated as finding 2008-01
2007-02	ORC 5705.41 (B) No money shall be spent unless appropriated	No	Not Corrected; repeated as finding 2008-02
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