



**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF CROOKSVILLE  
PERRY COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Crooksville  
Perry County  
22 China Street  
Crooksville, Ohio 43731

To the Village Council:

We have audited the accompanying financial statements of the Village of Crooksville, Perry County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Crooksville, Perry County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2000 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

December 12, 2000

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$23,122	\$56,707	\$	\$	\$79,829
Income Taxes	478,506				478,506
Intergovernmental Receipts	109,384	98,945			208,329
Charges for Services	10,782	119,287			130,069
Fines, Licenses, and Permits	17,143				17,143
Interest	16,296	7,192			23,488
Miscellaneous	54,022	7,621			61,643
Total Cash Receipts	<u>709,255</u>	<u>289,752</u>	<u>0</u>	<u>0</u>	<u>999,007</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	194,987				194,987
Public Health Services		143,140			143,140
Leisure Time Activities		96,841			96,841
Community Environment		5,917			5,917
Transportation		170,313			170,313
General Government	480,195				480,195
Debt Service:					
Principal Payments	5,733		18,335		24,068
Interest Payments	1,191		2,087		3,278
Total Cash Disbursements	<u>682,106</u>	<u>416,211</u>	<u>20,422</u>	<u>0</u>	<u>1,118,739</u>
Total Receipts Over/(Under) Disbursements	<u>27,149</u>	<u>(126,459)</u>	<u>(20,422)</u>	<u>0</u>	<u>(119,732)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Bonds or Notes				245,000	245,000
Refund of Overpayment		15,426			15,426
Sale of Fixed Assets	200	3,800			4,000
Transfers-In	7,630	110,000	20,422		138,052
Transfers-Out	(114,751)	(28,052)			(142,803)
Total Other Financing Receipts/(Disbursements)	<u>(106,921)</u>	<u>101,174</u>	<u>20,422</u>	<u>245,000</u>	<u>259,675</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(79,772)	(25,285)	0	245,000	139,943
Fund Cash Balances, January 1	<u>225,667</u>	<u>203,311</u>	<u>0</u>	<u>0</u>	<u>428,978</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$145,895</u></b>	<b><u>\$178,026</u></b>	<b><u>\$0</u></b>	<b><u>\$245,000</u></b>	<b><u>\$568,921</u></b>
Reserves for Encumbrances, December 31	<u>\$12,105</u>	<u>\$20,173</u>	<u>\$0</u>	<u>\$0</u>	<u>\$32,278</u>

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

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$824,182	\$	\$824,182
Total Operating Cash Receipts	<u>824,182</u>	<u>0</u>	<u>824,182</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	307,712		307,712
Transportation	19		19
Contractual Services	544,667		544,667
Supplies and Materials	76,068		76,068
Capital Outlay	100,441		100,441
Total Operating Cash Disbursements	<u>1,028,907</u>	<u>0</u>	<u>1,028,907</u>
Operating Income/(Loss)	<u>(204,725)</u>	<u>0</u>	<u>(204,725)</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental Receipts	265,330		265,330
Interest	17,995		17,995
Other Non-Operating Cash Receipts		17,812	17,812
Total Non-Operating Cash Receipts	<u>283,325</u>	<u>17,812</u>	<u>301,137</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service:			
Principal	90,288		90,288
Interest	95,261		95,261
Other Non-Operating Cash Disbursements	2,030	20,192	22,222
Total Non-Operating Cash Disbursements	<u>187,579</u>	<u>20,192</u>	<u>207,771</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(108,979)	(2,380)	(111,359)
Transfers-In	313,167		313,167
Transfers-Out	(308,416)		(308,416)
Net Receipts Over/(Under) Disbursements	(104,228)	(2,380)	(106,608)
Fund Cash Balances, January 1	<u>463,454</u>	<u>3,116</u>	<u>466,570</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$359,226</u></b>	<b><u>\$736</u></b>	<b><u>\$359,962</u></b>
Reserve for Encumbrances, December 31	<u>\$1,915</u>	<u>\$0</u>	<u>\$1,915</u>

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



VILLAGE OF CROOKSVILLE  
PERRY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$22,499	\$55,164	\$	\$77,663
Income Taxes	509,859			509,859
Special Assessments	851			851
Intergovernmental Receipts	93,917	167,186		261,103
Charges for Services	18,154	160,578		178,732
Fines, Licenses, and Permits	20,254			20,254
Interest	24,947	4,130		29,077
Miscellaneous	23,392	19,692		43,084
<b>Total Cash Receipts</b>	<u>713,873</u>	<u>406,750</u>	<u>0</u>	<u>1,120,623</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	194,016	56,816		250,832
Public Health Services		122,903		122,903
Leisure Time Activities		118,406		118,406
Community Environment		94,464		94,464
Transportation		127,161		127,161
General Government	282,571	2,491		285,062
Debt Service:				
Principal Payments	5,644		48,613	54,257
Interest Payments	1,280		4,011	5,291
<b>Total Cash Disbursements</b>	<u>483,511</u>	<u>522,241</u>	<u>52,624</u>	<u>1,058,376</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>230,362</u>	<u>(115,491)</u>	<u>(52,624)</u>	<u>62,247</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	11,228	168,275	38,314	217,817
Transfers-Out	(164,670)	(58,400)	(3,582)	(226,652)
Refunds	(2,527)			(2,527)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(155,969)</u>	<u>109,875</u>	<u>34,732</u>	<u>(11,362)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>74,393</u>	<u>(5,616)</u>	<u>(17,892)</u>	<u>50,885</u>
<b>Fund Cash Balances, January 1</b>	<u>151,274</u>	<u>208,927</u>	<u>17,892</u>	<u>378,093</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$225,667</b></u>	<u><b>\$203,311</b></u>	<u><b>\$0</b></u>	<u><b>\$428,978</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$16,095</b></u>	<u><b>\$22,406</b></u>	<u><b>\$0</b></u>	<u><b>\$38,501</b></u>

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

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type	Fiduciary Fund	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$816,374	\$	\$816,374
Total Operating Cash Receipts	816,374	0	816,374
<b>Operating Cash Disbursements:</b>			
Personal Services	332,294		332,294
Contractual Services	207,879		207,879
Supplies and Materials	71,439		71,439
Capital Outlay	44,898		44,898
Total Operating Cash Disbursements	656,510	0	656,510
Operating Income/(Loss)	159,864	0	159,864
<b>Non-Operating Cash Receipts:</b>			
Sale of Fixed Assets	267		267
Interest	7,028		7,028
Other Non-Operating Cash Receipts	7,694	26,229	33,923
Total Non-Operating Cash Receipts	14,989	26,229	41,218
<b>Non-Operating Cash Disbursements:</b>			
Debt Service:			
Principal	57,117		57,117
Interest	128,316		128,316
Other Non-Operating Cash Disbursements	705	24,374	25,079
Total Non-Operating Cash Disbursements	186,138	24,374	210,512
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(11,285)	1,855	(9,430)
Transfers-In	290,070		290,070
Transfers-Out	(281,235)		(281,235)
Net Receipts Over/(Under) Disbursements	(2,450)	1,855	(595)
Fund Cash Balances, January 1	465,904	1,261	467,165
<b>Fund Cash Balances, December 31</b>	<b>\$463,454</b>	<b>\$3,116</b>	<b>\$466,570</b>
Reserve for Encumbrances, December 31	\$7,554	\$0	\$7,554

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Crooksville, Perry County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), maintenance of Village streets, and police and fire protection services.

The Harrison Township Union Cemetery was established jointly, by the Village of Crooksville and Harrison Township, to manage the Crooksville Cemetery. The Union Cemetery is managed by a three-member Board of Cemetery Trustees appointed jointly by the Crooksville Village Council and Harrison Township Board of Trustees. The latest audited financial report for the Union Cemetery can be obtained by contacting the Harrison Township Union Cemetery Clerk at 11650 Tunnel Hill Road, Crooksville, Ohio 43731.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Certificates of deposit are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The Village maintains an Income Tax Fund to account for local income tax monies as described in Note 5. The activities of this fund are included in the General Fund for reporting purposes. Funds derived from the Village's income tax are utilized for the general operations of the Village and are not restricted as to use.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

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

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

Pool and Park Fund - This fund receives property tax money for maintaining the Village's parks, and charges for services to operate and maintain the Village's swimming pool.

Fire Levy Fund - This fund receives property taxes, contracted services monies and charges for services to provide fire protection for the Village and surrounding Townships and maintain equipment.

EMS Levy Fund - This fund receives property taxes, contracted services monies and charges for services to provide emergency medical services for the Village and surrounding Townships and maintain equipment.

**3. Debt Service Funds**

These funds are used to accumulate resources for the payment of bond and note indebtedness. The Village had the following significant Debt Service Funds:

Street Sweeper Debt Service Fund - This fund receives monies to finance the purchase of a street sweeper for the Village.

Fire Levy Debt Service Fund - This fund receives monies to finance the purchase of equipment for fire protection.

**4. Capital Project Fund**

The Capital Project Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

**5. Enterprise Funds**

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

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

Sewage System Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**6. Fiduciary Fund**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following Fiduciary Fund:

Mayor's Court Fund - This agency fund accounts for, and reports, the financial activity of the Mayor's Court of the Village.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick 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.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 618,614	\$ 413,252
Certificates of deposit	20,000	60,000
Total deposits	<u>638,614</u>	<u>473,252</u>
STAROhio	290,269	422,296
Total deposits and investments	<u>\$ 928,883</u>	<u>\$ 895,548</u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 564,462	\$ 717,085	\$ 152,623
Special Revenue	349,725	418,978	69,253
Debt Service	0	20,422	20,422
Capital Projects	0	245,000	245,000
Enterprise	1,298,443	1,420,674	122,231
Total	<u>\$ 2,212,630</u>	<u>\$ 2,822,159</u>	<u>\$ 609,529</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 688,768	\$ 808,962	\$ (120,194)
Special Revenue	482,323	464,436	17,887
Debt Service	0	20,422	(20,422)
Capital Projects	0	0	0
Enterprise	884,678	1,526,817	(642,139)
Total	<u>\$ 2,055,769</u>	<u>\$ 2,820,637</u>	<u>\$ (764,868)</u>

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 566,220	\$ 725,101	\$ 158,881
Special Revenue	767,781	575,025	(192,756)
Debt Service	0	38,314	38,314
Enterprise	1,373,350	1,121,433	(251,917)
Total	\$ 2,707,351	\$ 2,459,873	\$ (247,478)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 830,250	\$ 666,803	\$ 163,447
Special Revenue	1,319,503	603,047	716,456
Debt Service	0	56,206	(56,206)
Enterprise	991,843	1,131,437	(139,594)
Total	\$ 3,141,596	\$ 2,457,493	\$ 684,103

Ohio Rev. Code § 5705.39 states that appropriations from each fund shall not exceed estimated resources. For the years ended December 31, 1999 and 1998, appropriations exceeded estimated resources in several funds.

Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall expend any money unless it has been properly appropriated. For the years ended December 31, 1999 and 1998, several funds had expenditures that exceeded appropriations.

Ohio Rev. Code §5705.41(D) requires the fiscal officer to certify the availability of funds prior to any order of expenditure or contract being made. The fiscal officer's certification was not obtained in numerous instances.

**4. PROPERTY TAX**

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. LOCAL INCOME TAX**

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

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

**6. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$ 931,252	5.00%
Ohio Public Works Commission Street Loan	1,578	4.00%
Ohio Public Works Commission Water Loan	2,993	4.00%
Mortgage Revenue Bonds	882,207	7.89%
Recreation Center Interim Loan	245,000	4.80%
Fire Truck Lease	148,611	5.77%
Street Sweeper Loan	18,722	5.50%
Computer System Lease	<u>30,609</u>	6.22%
Total	<u>\$ 2,260,972</u>	

The Ohio Water Development Authority (OWDA) loan relates to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$1,186,560 in loans to the Village for this project. The loans will be repaid in semiannual installments of \$55,056, including interest, over 25 years. The scheduled payment amount below assumes that \$1,186,560 will be borrowed. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. 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 Street Loan had an original issue amount of \$3,008 and relates to a street repaving project. The loan is being repaid in semiannual installments of \$335, including interest, over 5 years from motor vehicle and gas tax revenues.

The Ohio Public Works Commission Water Loan had an original issue amount of \$5,757 and relates to a water project. The loan is being repaid in semiannual installments of \$786, including interest, over 4 years from user fees.

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



**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**6. DEBT (Continued)**

The Fire Truck Lease relates to the lease-purchase agreement for a Fire Truck entered into with Bank One. The lease will be repaid in annual installments, over 10 years. The total amount financed as part of this lease-purchase agreement is \$244,036 which includes an initial payment of \$95,425 upon entering the agreement.

The Street Sweeper Loan had an original issue amount of \$56,220 and relates to the purchase of a street sweeper. The loan is being repaid in annual installments, over 2 years from motor vehicle and gas tax revenues.

The Computer System Lease in the original amount of \$74,332 relates to the purchase of a computer system for the Village's accounting system and is being paid in 48 monthly installments.

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

Year ending December 31:	OWDA Loan	OPWC Street Loan	OPWC Water Loan	Mortgage Revenue Bonds	Fire Truck Lease	Street Sweeper Loan	Computer System Lease
2000	\$ 55,056	\$ 335	\$ 786	\$ 59,600	\$ 19,972	\$ 18,722	\$ 21,403
2001	110,113	670	1,572	58,900	19,972	0	10,547
2002	110,113	670	786	59,200	19,972	0	0
2003	110,113	0	0	59,450	19,972	0	0
2004	110,113	0	0	59,650	19,972	0	0
Subsequent	<u>1,101,128</u>	<u>0</u>	<u>0</u>	<u>949,150</u>	<u>99,860</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 1,596,636</u>	<u>\$ 1,675</u>	<u>\$ 3,144</u>	<u>\$1,245,950</u>	<u>\$199,720</u>	<u>\$ 18,722</u>	<u>\$ 31,950</u>

The Recreation Center Interim Loan relates to an interim financing loan the Village obtained through National City Bank for improvements to the community center. The loan matures in February 2000 with a total of \$256,760, including interest, due from the Village. The Village has been approved by the United States Department of Agriculture for a Rural Development loan of \$184,000 and a Rural Development grant of \$61,000 for repayment of the principal of the loan.

**7. RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**8. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Property
- General liability
- Public officials' liability
- Crime and employee dishonesty
- Auto and vehicle

The Village also provides health insurance through a private carrier.

**9. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**10. SUBSEQUENT EVENTS**

During February 2000, the Village issued a bond in the amount of \$184,000. Proceeds from the bond were used to repay a portion of the Village's interim financing loan from National City Bank for Community Center improvements.

During February 2000, the Village also entered into a loan agreement with North Valley Bank in the amount of \$136,000. The proceeds of this loan are to be used for the purchase of real property by the Village.



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

Village of Crooksville  
Perry County  
22 China Street  
Crooksville, Ohio 43731

To the Village Council:

We have audited the accompanying financial statements of the Village of Crooksville, Perry County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated December 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1999-31064-001 through 1999-31064-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated December 12, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 1999-31064-003 through 1999-31064-005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated December 12, 2000.

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

**Jim Petro**  
Auditor of State

December 12, 2000

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

<b>Finding Number</b>	<b>1999-31064-001</b>
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**Noncompliance Citation**

Ohio Rev. Code § 5705.39 requires appropriations from each fund to be limited to total estimated resources.

During the year ended December 31, 1999, appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General Fund	\$424,085	\$425,053	\$(968)
Pool and Park Fund	92,109	101,875	(9,766)

During the year ended December 31, 1998 appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General Fund	\$398,802	\$828,659	\$(429,857)
Pool and Park Fund	377,337	602,339	(225,002)
Water Fund	501,266	1,236,428	(735,162)
Sewer Fund	319,516	389,949	(70,433)

Prior to Council authorizing the original appropriations or approving any amendments, we recommend Council compare proposed appropriations with the amounts reflected on the (Amended) Certificate of Estimated Resources to ensure that appropriations will not exceed the Village's estimated resources. Since appropriation measures do not become effective until the County Auditor files a certificate that appropriations do not exceed estimated resources, the Village management should not order any expenditure of money until the County Auditor certifies that appropriations do not exceed estimated resources for each Village fund.

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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<b>Finding Number</b>	<b>1999-31064-002</b>
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**Noncompliance Citation**

Ohio Rev. Code § 5705 .41(B) states that no subdivision or taxing unit shall expend any money unless it has been appropriated.

During the year ended December 31, 1999, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
Pool and Park Fund	\$104,567	\$107,718	\$(3,151)
Permissive Tax Fund	30,000	32,162	(2,162)
Cops Fast Fund	0	7,630	(7,630)
Fire Levy Fund	71,091	73,396	(2,305)
Street Repaving Debt Service Fund	0	670	(670)
Street Sweeper Debt Service Fund	0	19,752	(19,752)
OPWC Capital Projects Fund	0	257,570	(257,570)
Board Contingency Fund	0	80,889	(80,889)
Water Works Debt Service Fund	0	110,113	(110,113)
Sewage Debt Service Fund	0	59,417	(59,417)
Roseville Debt Service Fund	0	46,155	(46,155)
Water Works Computer Debt Service Fund	0	6,924	(6,924)
Sewage Computer Debt Service Fund	0	6,924	(6,924)
Watt Hill Debt Service Fund	0	1,572	(1,572)
Waterline Replacement Debt Service Fund	0	766	(766)
Water Works Reserve Fund	0	28,113	(28,113)
Water Works Replacement Fund	0	10,860	(10,860)
Sewage Replacement Fund	0	45,307	(45,307)
Water Works Capital Improvement Fund	0	20,047	(20,047)

**VILLAGE OF CROOKSVILLE  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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<b>Finding Number</b>	<b>1999-31064-002 (Continued)</b>
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**Noncompliance Citation (Continued)**

During the year ended December 31, 1998 expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
State Highway Improvement Fund	\$1,376	\$4,949	\$(3,573)
Income Tax Fund	252,522	446,407	(193,885)
EMS Levy Fund	114,703	123,502	(8,799)
Utility Deposit Fund	9,700	9,926	(226)
Street Sweeper Debt Service Fund	0	19,752	(19,752)
Board Contingency Fund	0	12,449	(12,449)
Water Works Debt Service Fund	0	110,113	(110,113)
Sewage Debt Service Fund	0	59,900	(59,900)
Roseville Debt Service Fund	0	39,225	(39,225)
Water Works Computer Debt Service Fund	0	6,924	(6,924)
Sewage Computer Debt Service Fund	0	6,924	(6,924)
Watt Hill Debt Service Fund	0	1,572	(1,572)
Waterline Replacement Debt Service Fund	0	705	(705)
Water Works Reserve Fund	0	28,113	(28,113)
Water Works Replacement Fund	0	34,460	(34,460)
Sewage Replacement Fund	0	26,293	(26,293)
Water Works Capital Improvement Fund	0	17,782	(17,782)

We recommend the Village ensure that sufficient appropriations exist prior to approving the expenditures of any money.

VILLAGE OF CROOKSVILLE  
PERRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998  
(Continued)

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

<b>Finding Number</b>	<b>1999-31064-003</b>
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**Noncompliance Citation and Reportable Condition - Fiscal Officer's Certification**

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

This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrance, Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of Village Council.

As evidenced by the comparisons made in finding number 1999-31064-002, numerous liabilities, contracts and open purchase commitments were not certified by the Clerk-Treasurer prior to the obligation of Village funds and Then and Now Certificates were not used. These commitments were not subsequently approved by Village Council within the aforementioned 30-day time period.

We recommend that liabilities, contracts and open purchase commitments be certified by the Clerk-Treasurer only after appropriations first have been certified by the County Auditor as not exceeding estimated resources and then have been posted to the appropriations ledger.

<b>Finding Number</b>	<b>1999-31064-004</b>
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**Reportable Condition - Management and Monitoring of Village Activity**

Procedures for reviewing and monitoring budgetary activity were not established. As a result, we noted material noncompliance with budgetary laws.

We recommend the management of the Village become more actively involved in establishing controls necessary to prevent noncompliance with budgetary laws. Once budgetary control is established, Village Council should review and monitor activity as reflected on the monthly reports comparing budgeted to actual revenues and expenditures.



VILLAGE OF CROOKSVILLE  
PERRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998  
(Continued)

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

Finding Number	1999-31064-005
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**Reportable Condition - Monitoring of EMS Billing Services**

The Village Clerk-Treasurer indicated EMS Billing Services provided management with quarterly reports detailing amounts billed and collected on the Village's behalf. However, these reports could not be located by Village personnel. Failure to monitor billing and collection activities could result in monies being due to the Village not being collected.

We recommend the Village obtain, review, and maintain periodic reports from EMS Billing Services. These reports should indicate amounts billed, amounts collected, and amounts due to ensure that monies due the Village are collected or are in the process of collection.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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  
JANUARY 04, 2001**