

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
REPORT ON FINANCIAL STATEMENTS  
DECEMBER 31, 2009





Mary Taylor, CPA  
Auditor of State

Members of Council  
Village of Carey  
127 North Vance Street  
Carey, Ohio 43316

We have reviewed the *Independent Auditors' Report* of the Village of Carey, Wyandot County, prepared by Holbrook & Manter, for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 3, 2010

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## INDEPENDENT AUDITORS' REPORT

Village Council  
Village of Carey  
Wyandot County

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 Village of Carey, Wyandot County, Ohio, (the Village) as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

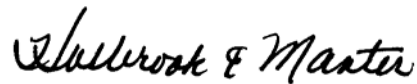
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

As discussed in Note 2, the Village has prepared these financial statements using the 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 cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Carey, Wyandot County, as of December 31, 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General fund thereof for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 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 on 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.

The Management's Discussion and Analysis on pages 5 through 11 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, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Certified Public Accountants

August 24, 2010

**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

This discussion and analysis of the Village of Carey's (the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2009, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

**Highlights**

Key highlights for 2009 are as follows:

In total, net assets decreased \$1,090,125. Net assets of governmental activities decreased \$442,006 which represents a 31 percent decrease from 2008. Net assets of business-type activities decreased \$648,119 or 9 percent, from 2008.

The Village's general receipts accounted for \$1,606,321 in revenue or 18 percent of all revenues. Program specific revenues in the form of charges for services and sales and grants accounted for \$7,126,338 or 82 percent of total revenues of \$8,732,659.

Total program expenses were \$9,822,784; \$1,699,249 in governmental activities and \$8,123,535 in business-type activities.

Outstanding debt decreased from \$4,152,382 to \$3,432,072 through payment of debt.

**Using the Basic Financial Statements**

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

**Report Components**

The statement of net assets and the statement of activities provide information about the 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 Village 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. In the case of the Village of Carey, the general, income tax and firehouse capital projects are the most significant governmental funds. The water, sewer and electric funds are the most significant enterprise funds.

The notes to the financial statements are an integral part of the village-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**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 cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.



**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
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**Basis of Accounting** (continued)

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Village as a Whole**

This annual report includes all activities for which the Village is fiscally responsible. These activities, defined as the Village's reporting entity, are operated within separate legal entities that make up the primary government. The primary government consists of the Village of Carey.

The statement of net assets and the statement of activities reflect how the Village did financially during 2009, within the limitations of the cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the village at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position, keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well, such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the village's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources such as property and income taxes.

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

Governmental Activities – The Village's basic services are reported here, including general government, security of persons and property, community environment, leisure time activities and transportation. 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 Activities – The Village has three major business-type activities, those being the provision of water, sewer, and electric service. Business-type activities are financed by a fee charged to the customers receiving the service.

**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 two categories: Governmental and Proprietary (business-type).

**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED DECEMBER 31, 2009  
 (UNAUDITED)**

**Governmental Funds** – Most of the Village’s activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village’s governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village’s programs. The Village’s significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village’s major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Proprietary Funds** – When the Village charges customers for 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 six enterprise funds, including the water, sewer and electric operating funds; storm water utility fund, utility deposits fund, and the sewer capital improvement fund, which is funded through income tax receipts. The water, sewer, and electric funds are classified as major funds.

**The Village as a Whole**

Table 1 provides a summary of the Village’s net assets for 2009 compared to 2008, on a cash basis:

(Table 1)  
**Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Assets:-</b>						
Cash and cash equivalents	\$ 983,549	\$ 1,425,555	\$ 6,563,952	\$ 7,212,071	\$ 7,547,501	\$ 8,637,626
<b>Total assets</b>	<u>\$ 983,549</u>	<u>\$ 1,425,555</u>	<u>\$ 6,563,952</u>	<u>\$ 7,212,071</u>	<u>\$ 7,547,501</u>	<u>\$ 8,637,626</u>
<b>Net Assets:-</b>						
Restricted	\$ 740,790	\$ 650,768	\$ 0	\$ 0	\$ 740,790	\$ 650,768
Unrestricted	<u>242,759</u>	<u>774,787</u>	<u>6,563,952</u>	<u>7,212,071</u>	<u>6,806,711</u>	<u>7,986,858</u>
<b>Total net assets</b>	<u>\$ 983,549</u>	<u>\$ 1,425,555</u>	<u>\$ 6,563,952</u>	<u>\$ 7,212,071</u>	<u>\$ 7,547,501</u>	<u>\$ 8,637,626</u>

As mentioned previously, net assets of governmental activities decreased \$442,006 or 31 percent during 2009. The primary reason contributing to this decrease is reduced interest rates resulting in investment income being lower in 2009 and the payment of outstanding debt.

Table 2 reflects the changes in net assets on a cash basis in 2009 and 2008 for governmental activities, business-type activities and total primary government.

**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

(Table 2)  
**Changes in Net Assets**

	<b>Governmental</b>		<b>Business Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Receipts:-						
Program Receipts:-						
Charges for services and sales	\$ 123,541	\$ 124,090	\$ 6,545,176	\$ 6,391,958	\$ 6,668,717	\$ 6,516,048
Operating grants and contributions	206,662	323,827	250,959	1,566	457,621	325,393
<b>Total program receipts</b>	<b>330,203</b>	<b>447,917</b>	<b>6,796,135</b>	<b>6,393,524</b>	<b>7,126,338</b>	<b>6,841,441</b>
General Receipts:-						
Property and other local taxes	80,940	90,321	0	0	80,940	90,321
Income taxes	560,567	540,622	409,935	414,129	970,502	954,751
Other local taxes	263,346	244,917	0	0	263,346	244,917
OWDA loan issued	0	0	0	3,899	0	3,899
Grants and entitlements	144,987	140,469	0	0	144,987	140,469
Sale of fixed assets	7,154	0	0	0	7,154	0
Interest	92,458	272,997	0	0	92,458	272,997
Miscellaneous	46,934	34,858	0	0	46,934	34,858
Total general receipts	1,196,386	1,324,184	409,935	418,028	1,606,321	1,742,212
<b>Total receipts</b>	<b>1,526,589</b>	<b>1,772,101</b>	<b>7,206,070</b>	<b>6,811,552</b>	<b>8,732,659</b>	<b>8,583,653</b>
Disbursements:-						
General government	432,997	535,756	0	0	432,997	535,756
Security of Persons and Property:-	822,557	823,463	0	0	822,557	823,463
Public health	20,589	47,212	0	0	20,589	47,212
Leisure time activities	113,542	140,190	0	0	113,542	140,190
Community and economic development	40,199	46,925	0	0	40,199	46,925
Basic utilities	26,187	27,439	0	0	26,187	27,439
Transportation	112,683	189,451	0	0	112,683	189,451
Capital outlay	67,202	561,572	0	0	67,202	561,572
Principal retirement	45,000	66,404	0	0	45,000	66,404
Interest and fiscal charges	18,293	19,738	0	0	18,293	19,738
Electric	0	0	6,538,740	6,076,651	6,538,740	6,076,651
Sewer	0	0	812,792	828,526	812,792	828,526
Storm water utility	0	0	83,807	276,717	83,807	276,717
Utility deposit	0	0	27,849	19,761	27,849	19,761
Water	0	0	660,347	390,869	660,347	390,869
<b>Total disbursements</b>	<b>1,699,249</b>	<b>2,458,150</b>	<b>8,123,535</b>	<b>7,592,524</b>	<b>9,822,784</b>	<b>10,050,674</b>
Excess (deficiency) before transfers	( 172,660)	( 686,049)	( 917,465)	( 780,972)	(1,090,125)	( 1,467,021)
Transfers	( 269,346)	( 244,917)	269,346	244,917	0	0
Increase (decrease) in net assets	( 442,006)	( 930,966)	( 648,119)	( 536,055)	(1,090,125)	( 1,467,021)
Net assets, Jan. 1,	1,425,555	2,356,521	7,212,071	7,748,126	8,637,626	10,104,647
<b>Net assets, Dec. 31,</b>	<b>\$ 983,549</b>	<b>\$ 1,425,555</b>	<b>\$ 6,563,952</b>	<b>\$ 7,212,071</b>	<b>\$ 7,547,501</b>	<b>\$ 8,637,626</b>

**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

Program receipts represent only 22 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 governments for police services provided under contract.

General receipts represent 78 percent of the Village's total receipts, and of this amount, 76 percent are taxes. State and federal grants and entitlements make up 13 percent of the Village's general receipts. Other receipts such as investments earnings make up a small percentage (11 percent) of general receipts.

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, treasurer, and income tax departments, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to 25 percent of General Fund unrestricted receipts.

Security of Persons and Property are the costs of police and fire protection this represents the largest expense of Government Activities. The expense of \$822,557 represents 48 percent of the total expenses. Public Health Services is the health department and Leisure Time Activities are the costs of maintaining the parks and playing fields. These areas had expenses of \$134,131 in 2009 equaling 8 percent of the total governmental service expenses.

***Business-type Activities***

Business type activities include the water, sewer and electric operations. The revenues are generated primarily from charges for services. In 2009, charges for services of \$6,545,176 accounted for 91 percent of the business-type revenues. The total expenses for the utilities were \$8,123,535. The Village had a decrease in net assets of \$648,119 for the business-type activities.

**The Village's Funds**

Total governmental funds had receipts of \$1,519,435, exclusive of other financing sources and disbursements of \$1,699,249, exclusive of other financing uses. The fund balance of the General Fund decreased \$532,028 as the result of increased costs for salaries and benefits and not achieving anticipated growth in income and property tax receipts. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

All business-type funds had operating expenses of \$7,272,297 which was more than operating revenues of \$6,545,176 by \$727,121 or 11 percent of operating revenues.

**General Fund Budgeting Highlights**

The Village of Carey's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Village amended its General Fund budget one time to reflect changing circumstances. Final budgeted receipts were more than original budgeted receipts by \$55,100. The difference between final budgeted receipts and actual receipts was \$325,770. This change was mainly due to a decrease in interest revenue.

Final disbursements (exclusive of other financing sources) were budgeted at \$1,794,983 while actual disbursements were \$1,401,116. Although receipts failed to live up to expectations, appropriations were not reduced. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the decrease in fund balance of \$532,028 for 2009.

**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

**Capital Assets and Debt Administration**

**Capital Assets**

The Village does not currently keep track of its capital assets and infrastructure.

**Debt**

At December 31, 2009, the Village's outstanding debt was \$3,432,072. Table 3 summarizes outstanding debt. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

(Table 3)  
**Outstanding Debt, at December 31,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General Obligation Bonds	\$ 435,000	\$ 480,000	\$ 0	\$ 0	\$ 435,000	\$ 480,000
AMP- Ohio revenue	0	0	0	375,000	0	375,000
OPWC Loan	0	0	417,267	461,877	417,267	461,877
OWDA Loans	0	0	2,579,805	2,835,505	2,579,805	2,835,505
Total expenses	<u>\$ 435,000</u>	<u>\$ 480,000</u>	<u>\$ 2,997,072</u>	<u>\$ 3,672,382</u>	<u>\$ 3,432,072</u>	<u>\$ 4,152,382</u>

During 2007, the Village issued \$525,000 of general obligation bonds for the purpose of constructing a new firehouse.

In prior years the Village entered into a loan agreement with Ohio Water Development Authority (OWDA) for a sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency.

During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,262,017. The proceeds of this loan are being used for a waterline extension project.

During 2000, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the purpose of a sanitary sewer overflow elimination project.

During 2002, the Village entered into a loan agreement with American Municipal Power-Ohio (AMP-Ohio) in the amount of \$1,500,000. The purpose of this loan was for an electric system improvement project. The debt was paid off during 2009.

Additional information concerning the Village's debt can be found in Note 10 to the basic financial statements.

**VILLAGE OF CAREY  
WYANDOT COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

**Current Issues**

During 2009, the Findlay Street and Clay/South Vance Street intersection components of the Streetscape Project were completed. Most capital improvement projects were put on hold during 2009 in an effort to reduce expenses due to a decrease in revenues. Operational changes within the Village that were implemented in October 2009 included a freeze on hiring, no wage increases, elimination of overtime unless in emergency situations (snow removal, power outages, etc.), and a mandatory approval by the Mayor for purchases over \$2,000.

Among items that were addressed in 2009 in the Mayor's annual State of the Village address included:

- Pursuing a solution for Spring Run flooding with possible replacement of the existing culvert with a larger unit to move water through the Village.
- Applications for seven water projects and two storm water projects through OWDA and OEPA grants via stimulus recovery funds. One project was selected (separation of the storm sewer behind E. Findlay Street businesses).
- Public Works Departments continued to track and clean storm water lines and replaced some areas that were found to be the cause of flooding due to collapsed lines.
- New police radios were acquired from the Wyandot County Emergency Management Agency through grant dollars.
- Research into possible grants for the funding of a Jobs Ready Site program and Block Grants to create an industrial park in Carey.
- Final payment of the \$1.5 million Amp-Ohio Loan that was incurred in 2002.

**Contacting the Village's Financial 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 Antonia Ahlberg, Clerk-Treasurer, Village of Carey, 127 N. Vance Street, Carey, OH 43316, telephone (419) 396-7681 or email [vocclerk@udata.com](mailto:vocclerk@udata.com).

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
STATEMENT OF NET ASSETS - CASH BASIS  
AS OF DECEMBER 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
<b>ASSETS:-</b>			
Equity in pooled cash and cash equivalents	\$ 983,549	\$ 6,563,952	\$ 7,547,501
<b>Total assets</b>	<u>\$ 983,549</u>	<u>\$ 6,563,952</u>	<u>\$ 7,547,501</u>
 <b>NET ASSETS:-</b>			
Restricted for;-			
Capital outlay	\$ 100,534	\$ 0	\$ 100,534
Other purposes	640,256	0	640,256
Unrestricted	<u>242,759</u>	<u>6,563,952</u>	<u>6,806,711</u>
<b>Total net assets</b>	<u>\$ 983,549</u>	<u>\$ 6,563,952</u>	<u>\$ 7,547,501</u>

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY  
WYANDOT COUNTY**

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2009

	<b>General</b>	<b>All Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 242,759	\$ 740,790	\$ 983,549
<b>Total Assets</b>	<b>\$ 242,759</b>	<b>\$ 740,790</b>	<b>\$ 983,549</b>
<b>Fund Balances</b>			
Unreserved and reported in:-			
General fund	\$ 242,759	\$ 0	\$ 242,759
Special revenue funds	0	640,256	640,256
Capital project funds	0	100,534	100,534
<b>Total fund balances</b>	<b>\$ 242,759</b>	<b>\$ 740,790</b>	<b>\$ 983,549</b>

See accompanying notes to the basic financial statements



**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Cash Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:-</b>						
General government	\$ 432,997	\$ 11,414	\$ 0	\$ ( 421,583)	\$ 0	\$ ( 421,583)
Security of persons and property	822,557	41,607	960	( 779,990)	0	( 779,990)
Public health	20,589	32,527	0	11,938	0	11,938
Leisure time activities	113,542	37,993	3,474	( 72,075)	0	( 72,075)
Community and economic development	40,199	0	0	( 40,199)	0	( 40,199)
Basic utility services	26,187	0	0	( 26,187)	0	( 26,187)
Transportation	112,683	0	202,228	89,545	0	89,545
Capital outlay	67,202	0	0	( 67,202)	0	( 67,202)
Debt Service:-						
Principal retirement	45,000	0	0	( 45,000)	0	( 45,000)
Interest and fiscal charges	18,293	0	0	( 18,293)	0	( 18,293)
<b>Total governmental activities</b>	<b>\$ 1,699,249</b>	<b>\$ 123,541</b>	<b>\$ 206,662</b>	<b>\$ ( 1,369,046)</b>	<b>\$ 0</b>	<b>\$ ( 1,369,046)</b>
<b>PROPRIETARY ACTIVITIES:-</b>						
Electric	\$ 6,538,740	\$ 5,685,495	\$ 0	\$ 0	\$ ( 853,245)	\$ ( 853,245)
Sewer	812,792	423,218	959	0	( 388,615)	( 388,615)
Storm water utility	83,807	65,987	0	0	( 17,820)	( 17,820)
Utility deposit	27,849	36,441	0	0	8,592	8,592
Water	660,347	334,035	250,000	0	( 76,312)	( 76,312)
<b>Total business-type activities</b>	<b>\$ 8,123,535</b>	<b>\$ 6,545,176</b>	<b>\$ 250,959</b>	<b>\$ 0</b>	<b>\$ ( 1,327,400)</b>	<b>\$ ( 1,327,400)</b>
<b>Total</b>	<b>\$ 9,822,784</b>	<b>\$ 6,668,717</b>	<b>\$ 457,621</b>	<b>\$ ( 1,369,046)</b>	<b>\$ ( 1,327,400)</b>	<b>\$ ( 2,696,446)</b>
<b>GENERAL RECEIPTS:-</b>						
Property and other local taxes				\$ 80,940	\$ 0	\$ 80,940
Income taxes				560,567	409,935	970,502
Other local taxes				263,346	0	263,346
Unrestricted grants and entitlements				144,987	0	144,987
Sale of fixed assets				7,154	0	7,154
Investment earnings				92,458	0	92,458
Miscellaneous				46,934	0	46,934
<b>Total general receipts</b>				<b>1,196,386</b>	<b>409,935</b>	<b>1,606,321</b>
Transfers				( 269,346)	269,346	0
<b>Total general receipts and transfers</b>				<b>927,040</b>	<b>679,281</b>	<b>1,606,321</b>
Change in net assets				( 442,006)	( 648,119)	( 1,090,125)
Net assets beginning of year				1,425,555	7,212,071	8,637,626
Net assets at end of year				\$ 983,549	\$ 6,563,952	\$ 7,547,501

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY  
WYANDOT COUNTY**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
CASH BASIS GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>RECEIPTS:-</b>			
Property and other local taxes	\$ 80,940	\$ 0	\$ 80,940
Income tax	448,453	112,114	560,567
Other local taxes	263,346	0	263,346
Special assessments	42	0	42
Charges for services	34,202	43,950	78,152
Licenses, and permits	2,632	24,686	27,318
Fines and forfeitures	6,857	374	7,231
Intergovernmental	157,826	190,347	348,173
Interest	79,248	13,210	92,458
Rent	10,800	0	10,800
Contributions and donations	0	3,474	3,474
Other	46,934	0	46,934
	<b>1,131,280</b>	<b>388,155</b>	<b>1,519,435</b>
<b>Total receipts</b>			
<b>DISBURSEMENTS:-</b>			
Current:-			
General government	432,322	675	432,997
Security of persons and property	822,557	0	822,557
Public health	10,011	10,578	20,589
Leisure time activities	0	113,542	113,542
Community and economic development	40,199	0	40,199
Basic utility services	26,187	0	26,187
Transportation	6,547	106,136	112,683
Capital outlay	0	67,202	67,202
Debt Service:			
Principal retirement	45,000	0	45,000
Interest and fiscal charges	18,293	0	18,293
	<b>1,401,116</b>	<b>298,133</b>	<b>1,699,249</b>
<b>Total disbursements</b>			
<b>Excess of receipts over (under) disbursements</b>	<b>( 269,836)</b>	<b>90,022</b>	<b>( 179,814)</b>
<b>OTHER FINANCING SOURCES (USES):-</b>			
Sale of capital assets	7,154	0	7,154
Transfers - out	( 269,346)	0	( 269,346)
	<b>( 262,192)</b>	<b>0</b>	<b>( 262,192)</b>
<b>Total other financing sources (uses)</b>			
Net change in fund balances	( 532,028)	90,022	( 442,006)
Fund balances beginning of year	774,787	650,768	1,425,555
<b>Fund balances end of year</b>	<b>\$ 242,759</b>	<b>\$ 740,790</b>	<b>\$ 983,549</b>

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>			<b>(Optional)</b> <b>Variance with</b> <b>Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Positive</b> <b>(Negative)</b>
<b>RECEIPTS:-</b>				
Property taxes	\$ 90,650	\$ 90,650	\$ 80,940	\$ ( 9,710)
Income taxes	452,000	452,000	448,453	( 3,547)
Other local taxes	275,000	315,000	263,346	( 51,654)
Special assessments	36,000	36,000	42	( 35,958)
Charges for services	19,650	33,950	34,202	252
Licenses and permits	2,650	3,450	2,632	( 818)
Fines and forfeitures	11,200	11,200	6,857	( 4,343)
Intergovernmental	174,300	174,300	157,826	( 16,474)
Interest	265,000	265,000	79,248	( 185,752)
Rent	12,000	12,000	10,800	( 1,200)
Gifts and contributions	500	500	0	( 500)
Other	63,000	63,000	46,934	( 16,066)
<b>Total receipts</b>	<b>1,401,950</b>	<b>1,457,050</b>	<b>1,131,280</b>	<b>( 325,770)</b>
<b>DISBURSEMENTS:-</b>				
Current:-				
General government	592,055	592,855	432,322	160,533
Security of persons and property	1,003,867	954,167	822,557	131,610
Public health	12,000	12,000	10,011	1,989
Community and economic development	70,461	70,461	40,199	30,262
Basic utility services	29,000	29,000	26,187	2,813
Transportation	72,500	72,500	6,547	65,953
Debt service:				
Principal retirement	0	45,000	45,000	0
Interest and fiscal charges	0	19,000	18,293	707
<b>Total disbursements</b>	<b>1,779,883</b>	<b>1,794,983</b>	<b>1,401,116</b>	<b>393,867</b>
<b>Excess of receipts over (under) disbursements</b>	<b>( 377,933)</b>	<b>( 337,933)</b>	<b>( 269,836)</b>	<b>68,097</b>
<b>OTHER FINANCING SOURCES (USES):-</b>				
Sale of assets	2,500	2,500	7,154	4,654
Transfers out	( 230,000)	( 270,000)	( 269,346)	654
<b>Total other financing sources</b>	<b>( 227,500)</b>	<b>( 267,500)</b>	<b>( 262,192)</b>	<b>5,308</b>
Net change in fund balance	( 605,433)	( 605,433)	( 532,028)	73,405
Fund balance beginning of year	774,787	774,787	774,787	0
Prior year encumbrances appropriated	0	0	0	0
<b>Fund balance end of year</b>	<b>\$ 169,354</b>	<b>\$ 169,354</b>	<b>\$ 242,759</b>	<b>\$ 73,405</b>

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS - PROPRIETARY FUNDS  
AS OF DECEMBER 31, 2009

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Proprietary Funds</u>
<b>ASSETS:-</b>					
Equity in pooled cash and cash equivalents	\$ 793,676	\$ 2,324,635	\$ 3,034,674	\$ 410,967	\$ 6,563,952
<b>Total assets</b>	<u>\$ 793,676</u>	<u>\$ 2,324,635</u>	<u>\$ 3,034,674</u>	<u>\$ 410,967</u>	<u>\$ 6,563,952</u>
<b>NET ASSETS:-</b>					
Unrestricted	\$ 793,676	\$ 2,324,635	\$ 3,034,674	\$ 410,967	\$ 6,563,952
<b>Total net assets</b>	<u>\$ 793,676</u>	<u>\$ 2,324,635</u>	<u>\$ 3,034,674</u>	<u>\$ 410,967</u>	<u>\$ 6,563,952</u>

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -  
CASH BASIS PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Proprietary Funds</u>
<b>RECEIPTS:-</b>					
Charges for services	\$ 334,035	\$ 423,218	\$ 5,685,495	\$ 102,428	\$ 6,545,176
<b>Total receipts</b>	334,035	423,218	5,685,495	102,428	6,545,176
<b>DISBURSEMENTS:-</b>					
Operating disbursements:-					
Personal services	200,008	304,474	546,183	0	1,050,665
Travel	195	984	4,458	0	5,637
Contractual services	47,922	66,373	5,097,201	34,387	5,245,883
Materials and supplies	24,748	27,746	34,586	77,269	164,349
Capital outlay	387,474	30,782	387,507	0	805,763
<b>Total operating disbursements</b>	660,347	430,359	6,069,935	111,656	7,272,297
<b>Operating income (loss)</b>	( 326,312)	( 7,141)	( 384,440)	( 9,228)	( 727,121)
<b>NON-OPERATING RECEIPTS (DISBURSEMENTS):-</b>					
Income taxes	0	409,935	0	0	409,935
Intergovernmental	250,000	959	0	0	250,959
Principal payments	0	( 300,310)	( 375,000)	0	( 675,310)
Interest and fiscal charges	0	( 82,123)	( 93,805)	0	( 175,928)
<b>Total non-operating receipts (disbursements) :-</b>	250,000	28,461	( 468,805)	0	( 190,344)
<b>Income (loss) before transfers</b>	( 76,312)	21,320	( 853,245)	( 9,228)	( 917,465)
Transfers in	0	0	269,346	0	269,346
Changes in net assets	( 76,312)	21,320	( 583,899)	( 9,228)	( 648,119)
Fund balances beginning of year	869,988	2,303,315	3,618,573	420,195	7,212,071
<b>Fund balances end of year</b>	\$ 793,676	\$ 2,324,635	\$ 3,034,674	\$ 410,967	\$ 6,563,952

See accompanying notes to the basic financial statements

**VILLAGE OF CAREY  
WYANDOT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 1 - REPORTING ENTITY:-**

The Village of Carey, Wyandot County, Ohio (the Village), is a body politic and corporate 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 six-member Council elected at large for four year terms. The Mayor is elected to a four-year term 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.

**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 government services; water, sewer, and electric utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to support a volunteer fire department and contracts with Wyandot County for emergency medical services. The Village also manages a public cemetery.

**Component Units** - Component units are legally separate organizations for which the village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and the (1) the Village is able to significantly influence the program 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.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-**

These financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, 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.

**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.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

**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 non-exchange 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 and investment balances 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, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support 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.

**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. Non-major funds are aggregated and presented in a single column. Fiduciary funds would be reported by type, but the Village doesn't maintain any fiduciary funds.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from 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 proprietary fund statements report all other receipts and disbursements as non-operating.

**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 Village's funds are divided into two categories, governmental and proprietary.

**Governmental Funds** - The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following is the Village's major governmental fund:

**General** - 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 General Fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds**

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

**VILLAGE OF CAREY  
WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

**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, and electric funds.

**Water Fund** - The water fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Sewer Fund** - The sewer fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Electric Fund** - The electric fund receives charges for services from residents and commercial users to cover the cost of providing this utility.

**Basis of Accounting** - The Village's financial statements are prepared using the 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 liability is incurred. Any such modifications made by the Village are described in the appropriate section in 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 or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**Budgetary Process** - All funds are legally required to be budgeted and appropriated annually. 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, function, 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-Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements 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 certificated 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.

**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".



**VILLAGE OF CAREY  
WYANDOT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

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 equivalents. 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 investment are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2009, the Village invested in a certificate of deposit and a money market account.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 amounted to \$79,248, which includes \$74,518 assigned from other Village funds.

**Inventory and Prepaid Items** - The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**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.

**Interfund Receivables/Payables** - The Village reports advances-in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**Accumulated Leave** - In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

**Employer Contributions to Cost-Sharing Pension Plans** - The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**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 an other financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

**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 included resources restricted for street maintenance and repairs and parks and recreation.

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.

**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. No fund balance reserves have been established.

**VILLAGE OF CAREY**  
**WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-** (continued)

**Inter-fund 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 inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

**Extraordinary and Special Items** - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current year.

**NOTE 3 - 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 Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year-end encumbrances and are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Village did not have any outstanding encumbrances at year end.

**NOTE 4 - DEPOSITS AND INVESTMENTS:-**

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**VILLAGE OF CAREY  
WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 4 - DEPOSITS AND INVESTMENTS:-** (continued)

2. 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;
3. 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 two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. 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 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.

At year end, the Village had no undeposited cash on hand.

**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. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the federal Reserve Bank in the name of the Village.

At year end, the carrying amount of the Village's deposits was \$7,547,501. Based on the criteria described in the GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2009, \$7,251,746 of the Village's bank balance of \$7,641,839 was exposed to custodial credit risk, as discussed above, while \$295,755 was covered by Federal Depository Insurance Corporation.

**VILLAGE OF CAREY  
WYANDOT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 4 - DEPOSITS AND INVESTMENTS:-** (continued)

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 or all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

**NOTE 5 - INCOME TAXES:-**

The Village levies a 1.5 percent income tax. Of that first 1 percent, eighty percent of the proceeds are placed in the General Fund, ten percent in the Capital Improvement Fund, ten percent in the Parks and Recreation Fund. The remaining one-half percent is placed in the Sewer Debt Retirement Fund, by council action. 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 the lesser of actual taxes paid to another city of one hundred percent of the one percent 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.

**NOTE 6 - PROPERTY TAXES:-**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Property tax receipts received in 2009 for real and public utility property represent the collection of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

2009 real property were levied after October 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2009.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien on December 31, 2008, are levied after October 1, 2009, and are collected in 2009 with real property taxes.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies during 2009 were levied after October 1, 2008 on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually; payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20, 2009.

**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2009**

**NOTE 6 - PROPERTY TAXES:-** (continued)

The full tax rate for all Village operations for the year ended December 31, 2009, was \$1.90 mills per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

<b>Real Property:-</b>		
Residential	\$	39,984,590
Commercial/ Industrial/ Mineral		8,884,430
<b>Public Utility Property:-</b>		
Real		30,430
Personal		387,380
Tangible personal property		28,140
<b>Total assessed value</b>	<b>\$</b>	<b>49,314,970</b>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

**NOTE 7 - RISK MANAGEMENT:-**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Assets	\$ 36,374,898	\$ 35,769,535
Liabilities	( 15,256,862)	( 15,310,206)
Net Assets	\$ 21,118,036	\$ 20,459,329

**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2009**

**NOTE 7 - RISK MANAGEMENT:-** (continued)

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 million and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Government's share of these unpaid claims collectible in future years is approximately \$54,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**Contributions to PEP**

2009	2008
\$ 57,048	\$ 54,595

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**NOTE 8 - DEFINED BENEFIT PENSION PLAN:-**

**Ohio Public Employees Retirement System** - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is 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 is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only in the traditional pension 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 CAREY  
WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 8 - DEFINED BENEFIT PENSION PLAN:-** (continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, the members in state and local classifications contributed 10.0 percent of covered payroll, and public safety and law enforcement members contributed 10.1 percent.

The Village's contribution rate for 2009 was 14.0 percent, except for those plan members in law enforcement or public safety. For those classifications, the Village's pension contributions were 17.63 percent of covered payroll. The portion of employer contributions allocated to healthcare was 7.0 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Village of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$96,068, \$82,417 and \$99,552, respectively. The full amount has been contributed for 2009, 2008 and 2007.

**Ohio Police and Fire Protection Fund** - 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 full-time law enforcement officers of the village and their 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. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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 fund pension benefits for the years ended December 31, 2009, 2008, and 2007 were \$34,123, \$43,826, and \$44,975, respectively. The full amount has been contributed for 2009, 2008 and 2007.

**NOTE 9 - POST EMPLOYMENT BENEFITS:-**

**Ohio Public Employees Retirement System** - The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including the postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-5601 or (800)222-7377.

The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

**VILLAGE OF CAREY  
WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 9 - POST EMPLOYMENT BENEFITS:-** (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.0 percent of covered of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of employer contributions allocated to healthcare was 7.0 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009. The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The Village's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008, and 2007 were \$68,739, \$82,417, \$65,574, respectively. The full amount has been contributed for 2009, 2008, and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.

**Ohio Police and Fire Pension Fund** - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postemployment healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participation employers and plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentage of the payroll of active plan members, currently, 19.5 percent of covered payroll for police.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and an also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan b retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB plan.



**VILLAGE OF CAREY  
WYANDOT COUNTY**  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 9 - POST EMPLOYMENT BENEFITS:-** (continued)

The Village's contributions to OP&F which were allocated to fund post-employment healthcare benefits of police were \$11,812, \$15,171, and \$15,561, respectively for the years ended December 31, 2009, 2008 and 2007. The full amount has been contributed for 2009, 2008 and 2007.

**NOTE 10 - DEBT:-**

Debt outstanding at December 31, 2009, was as follows:

<u>Debt Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Firehouse Bonds	3.75 -4.00%	\$ 525,000	December 1, 2017
OWDA Loan #1	7.11%	\$ 1,022,044	January 1, 2013
OWDA Loan #2	8.26%	\$ 1,296,441	July 1, 2013
OWDA Loan - WWTP Improvements	1.00%	\$ 2,240,415	January 1, 2027
OPWC Loan	2.00%	\$ 691,976	July 1, 2018
AMP-Ohio Revenue Bond Anticipation Notes	1.65% - 5.00%	\$ 1,500,000	August 1, 2010

	<u>Balance 12/31/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2009</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Firehouse Bonds	\$ 480,000	\$ 0	\$ ( 45,000)	\$ 435,000	\$ 45,000
<b>Business- Type Activities</b>					
OWDA Loan #1	\$ 299,250	\$ 0	\$ ( 67,296)	\$ 231,954	\$ 72,082
OWDA Loan #2	450,600	0	( 86,938)	363,662	94,119
OWDA Loan - WWTP Improvements	2,085,655	0	( 101,466)	1,984,189	104,293
OPWC Loan	461,877	0	( 44,610)	417,267	45,507
AMP-Ohio Revenue Bond Anticipation Notes	375,000	0	( 375,000)	0	0
<b>Total Business-Type Activities</b>	<u>\$ 3,672,382</u>	<u>\$ 0</u>	<u>\$ ( 675,310)</u>	<u>\$ 2,997,072</u>	<u>\$ 316,001</u>

The Village has pledged future water revenue and sewer revenue, net of specified operating expenses to repay \$3,527,481 of Ohio Public Works Commission (OPWC) loans and the Ohio Water Development Authority (OWDA) loans. Annual principal and interest payments, as a percentage of net customer revenues, on the loans are expected to be similar over the term of the loans as in the current year, which were 90.4 percent. The total principal and interest remaining to be paid on the loans is \$2,997,072. Principal and interest paid for the current year and total net revenues were \$382,433 and \$403,753, respectively.

During 2007, the Village issued \$525,000 of general obligation bonds for the purpose of constructing a new firehouse. The Village received \$532,536 in bond proceeds, which included a premium of \$7,536.

In prior years, the Village entered into loan agreements with Ohio Water Development Authority (OWDA) for a sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. These loans totaled \$2,318,485, which will be repaid in semi-annual payments with sewer receipts.

During 2005, the Village entered into a loan agreement with OWDA in the amount of \$2,240,015. The proceeds of this loan are being used for a waterline extension project. The Village began repaying the loan in 2007.

**VILLAGE OF CAREY  
WYANDOT COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**NOTE 10 - DEBT:-** (continued)

During 2000, the Village entered into a loan agreement with the Ohio Public Works Commission (OPWC) for the purpose of a sanitary sewer overflow elimination project. This loan will be repaid in semi-annual installments, over a period of 15 years and is collateralized by sewer debt fund income tax receipts.

During 2002, the Village entered into a loan agreement with American Municipal Power-Ohio (AMP-Ohio) in the amount of \$1,500,000. The purpose of this loan was for an electric system improvement project. The loan is collateralized by electric system receipts. The loan is renewable each year at a new interest rate, and will mature in 2010.

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

Year ending December 31:	General Obligation Bonds		OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 50,000	\$ 16,606	\$ 270,494	\$ 66,111	\$ 45,507	\$ 9,016
2011	50,000	14,732	284,438	52,169	46,421	8,119
2012	50,000	12,856	299,370	37,235	47,354	7,205
2013	55,000	10,980	164,802	21,151	48,306	5,320
2014	55,000	8,918	108,359	15,337	49,277	4,349
2015-2019	175,000	13,982	559,234	60,141	180,402	7,287
2020-2024	0	0	587,832	31,541	0	0
2025-2027	0	0	305,096	4,592	0	0
<b>Total</b>	<b>\$ 435,000</b>	<b>\$ 78,074</b>	<b>\$ 2,579,625</b>	<b>\$ 288,277</b>	<b>\$ 417,267</b>	<b>\$ 41,296</b>

**Total**

Year ending December 31:	Principal	Interest
2010	\$ 366,001	\$ 91,733
2011	380,859	75,020
2012	396,724	57,296
2013	268,108	37,451
2014	212,816	28,604
2015-2019	914,636	81,410
2020-2024	587,832	31,541
2025-2027	305,096	4,592
<b>Total</b>	<b>\$ 3,432,072</b>	<b>\$ 407,647</b>

The Village also entered into a waterline extension project agreement with the Water and Sewer Rotary Commission whereby the Commission advanced \$90,000 to the Village for an indefinite term beginning Nov. 30, 2001. The purpose of this agreement is to promote the development of the Village by providing utility service to undeveloped property located in certain agricultural districts within the Village. Repayment of the amount advanced will be determined by the date in which the use of such property has been changed pursuant to Ohio Revised Code Section 929.03(D). The Village shall, upon such change in use, collect from the

**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2009**

**NOTE 10 - DEBT:-** (continued)

property owner an assessment for the portion of changed property and make repayment to the Commission in the full amount of the assessment. A change in use occurred during 2005 and the Village collected from the property owner an assessment of \$33,311 for the portion of changed property and a payment was made to the Commission in the full amount of the assessment. The balance of the advance was \$56,689 at December 31, 2009.

**NOTE 11 - INTERFUND TRANSFERS:-**

During 2009, the following transfers were made:

<b><u>Fund</u></b>	<b><u>Transfers Out</u></b>	<b><u>Transfers In</u></b>
General	\$ 269,346	\$ 0
Electric	<u>0</u>	<u>269,346</u>
<b>Total</b>	<b><u><u>\$ 269,346</u></u></b>	<b><u><u>\$ 269,346</u></u></b>

**NOTE 12 - CONTINGENT LIABILITIES:-**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally by the federal government. Grantors may require refunding and disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



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

Village Council  
Village of Carey  
Wyandot County

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 Carey, Wyandot County, Ohio (the Village), as of and for the year ended December 31, 2009, and have issued our report thereon dated August 24, 2010, wherein we noted the Village had followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the 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 a combination of deficiencies in internal control such that there is a reasonable possibility that a material financial statement misstatement will not be prevented, or detected and timely corrected.

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

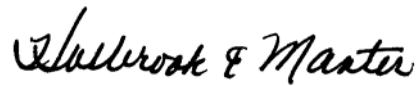
We did note certain internal control matters that we reported to the Village's management in a separate letter dated August 24, 2010.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

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

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



Certified Public Accountants

August 24, 2010

VILLAGE OF CAREY  
WYANDOT COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2009

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

<b>Finding Number</b>	<b>2009-001</b>
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**Noncompliance Citation - Amending Certificates of Estimated Resources**

Ohio Revised Code, Section 5705.36, allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the Clerk that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

During our compliance testing, we noted that the Village did not amend estimated resources as outlined above. We recommend that the Clerk monitor estimated resources throughout the year and obtain amendments from the county budget commission as necessary.

**Officials' Response**

The Clerk and Village Council will monitor estimated and actual receipts and amend them as needed.

**VILLAGE OF CAREY  
 WYANDOT COUNTY  
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
 DECEMBER 31, 2009**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2008-001	Significant Deficiency- Internal Control and Review Procedures	Yes	Fully Corrected.
2008-002	Noncompliance citation- Amending certificates of estimated resources.	No	Reissued as finding 2009-001.

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**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF CAREY**

**WYANDOT 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  
NOVEMBER 16, 2010**