



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF CROOKSVILLE
PERRY COUNTY
DECEMBER 31, 2017 AND 2016**

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**VILLAGE OF CROOKSVILLE
PERRY COUNTY
DECEMBER 31, 2017 AND 2016**

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OHIO AUDITOR OF STATE KEITH FABER



INDEPENDENT AUDITOR'S REPORT

Village of Crooksville
Perry County
98 South Buckeye Street
Crooksville, Ohio 43731

To the Village Council:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio (the Village), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio, as of December 31, 2017 and 2016, and the respective changes in cash financial position and where applicable cash flows and the respective budgetary comparison for the General, Street Construction, Maintenance and Repair and EMS Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to Management's Discussion and Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 22, 2019

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

This discussion and analysis of the Village of Crooksville's (also referred to as the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2017, 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 2017 are as follows:

- Net position of governmental activities increased \$355,779 or 61%. The funds most affected by the increase in cash and cash equivalents were the General fund and Village Capital Projects, which realized the increased revenue in 2017; however, cost increases still affected most funds.
- Municipal Income Tax as well as Charges for Services increased for 2017 compared to 2016.
- The Village has two business-type activities. They are the water and sewer funds. The net position increased by \$368,367 or 30%.

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 position 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.

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

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 the cash basis of accounting. This basis of accounting is 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.

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.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2017, within the limitations of cash basis accounting. The statement of net position 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 position and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here, including police, fire, streets, parks and construction projects. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity: The Village has two business-type activities funds, the provision of water, and of other sewer. Business-type activities are financed by a fee charged to the customers receiving services.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the 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 funds are the General Fund, EMS, Village Capital Projects fund and SCMR Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has several major enterprise funds, the Water Works, Sewage System, Water Works Capital Improvement, Waterline Replacement Design, Water Works Reserve, and Sewage Replacement Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs. The Village's agency fund accounts for Mayor's Court activities. At December 31, 2017 Mayor's Court had a zero balance; therefore no financial statement is presented.

The Village as a Whole

Table 1 reflects a summary of the Village's net position for 2017 compared to 2016 on the cash basis:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Cash and Cash Equivalents	\$941,055	\$585,276	\$1,595,844	\$1,227,477	\$2,536,899	\$1,812,753
Total Assets	<u>\$941,055</u>	<u>\$585,276</u>	<u>\$1,595,844</u>	<u>\$1,227,477</u>	<u>\$2,536,899</u>	<u>\$1,812,753</u>
Net Position						
Restricted for:						
Debt Service	\$94,084	\$86,382	\$114,733	\$87,782	\$208,817	\$174,164
Capital Projects	265,079	3,648	0	0	265,079	3,648
Other Purposes	525,097	483,297	94,415	94,249	619,512	577,546
Unrestricted	56,795	11,949	1,386,696	1,045,446	1,443,491	1,057,395
Total Net Position	<u>\$941,055</u>	<u>\$585,276</u>	<u>\$1,595,844</u>	<u>\$1,227,477</u>	<u>\$2,536,899</u>	<u>\$1,812,753</u>

As mentioned previously, net position of governmental activities increased \$355,779 or 61% and net position of business-type activities increased \$368,367 or 30% during 2017. There is not one single primary reason contributing to the changes in cash balances. Table 2 reflects the changes in net position in 2017 versus 2016.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

(Table 2)

Changes in Net Position

	Governmental Activities		Business- Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$482,225	\$460,518	\$1,982,606	\$1,954,507	\$2,464,831	\$2,415,025
Operating Grants and Contributions	76,954	72,728	544,568	0	621,522	72,728
Total Program Receipts	559,179	533,246	2,527,174	1,954,507	3,086,353	2,487,753
General Receipts:						
Property and Other Local Taxes	177,554	160,133	0	0	177,554	160,133
Income Taxes	632,846	546,251	0	0	632,846	546,251
Grants and Entitlements Not Restricted to Specific Programs	52,133	65,685	0	0	52,133	65,685
Proceeds of Debt	0	0	705,539	46,557	705,539	46,557
Interest	8,064	5,338	0	0	8,064	5,338
Miscellaneous	165,095	28,031	36,502	32,223	201,597	60,254
Total General Receipts	1,035,692	805,438	742,041	78,780	1,777,733	884,218
Total Receipts	1,594,871	1,338,684	3,269,215	2,033,287	4,864,086	3,371,971
Disbursements:						
General Government	182,213	181,321	0	0	182,213	181,321
Security of Persons and Property:	611,399	552,150	0	0	611,399	552,150
Leisure Time Activities	126,041	116,173	0	0	126,041	116,173
Transportation	217,858	211,791	0	0	217,858	211,791
Community Environment	156,931	159,394	0	0	156,931	159,394
Capital Outlay	50,177	79,514	0	0	50,177	79,514
Debt Service:						
Principal Reduction	93,697	129,270	0	0	93,697	129,270
Interest and Fiscal Charges	36,017	40,850	0	0	36,017	40,850
Other	10	59	0	0	10	59
Water Operating	0	0	960,497	953,600	960,497	953,600
Sewage Operating	0	0	401,358	438,160	401,358	438,160
Water Works Capital Improvement	0	0	933,451	42,220	933,451	42,220
Guarantee Deposit	0	0	16,800	16,170	16,800	16,170
Water Replacement	0	0	0	6,500	0	6,500
Sewage Replacement	0	0	13,805	35,309	13,805	35,309
Other Enterprise	0	0	481,383	177,940	481,383	177,940
Total Disbursements	1,474,343	1,470,522	2,807,294	1,669,899	4,281,637	3,140,421
Excess (Deficiency) Before Transfers and Sale of Capital Assets	120,528	(131,838)	461,921	363,388	582,449	231,550
Sale of Capital Assets	141,697	13,782	0	887	141,697	14,669
Transfers In	701,986	712,295	363,701	355,414	1,065,687	1,067,709
Transfers Out	(608,432)	(621,841)	(457,255)	(445,868)	(1,065,687)	(1,067,709)
Increase (Decrease) in Net Position	355,779	(27,602)	368,367	273,821	724,146	246,219
Net Position, January 1	585,276	612,878	1,227,477	953,656	1,812,753	1,566,534
Net Position, December 31	\$941,055	\$585,276	\$1,595,844	\$1,227,477	\$2,536,899	\$1,812,753

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Program receipts represent 63.5 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 utility charges for service.

General receipts represent 36.5 percent of the Village's total receipts, and of this amount, over 45.5 percent are property taxes, other local taxes and income taxes. State and federal grants and entitlements make up much of the balance of the Village's general receipts (3 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of Council, and the Auditor, Fiscal Officer, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of police and fire protection; Leisure Time Activities are the costs of maintaining the parks and pool and the Rec Center, and Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 for the years ended December 31, 2017 and 2016.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General Government	\$182,213	\$181,321	\$162,865	\$156,960
Security of Persons and Property	611,399	552,150	480,954	200,716
Public Safety	0	0	(282,911)	(36,797)
Leisure Time Activities	126,041	116,173	92,089	84,339
Community Environment	156,931	159,394	156,556	159,219
Transportation	217,858	211,791	125,710	123,146
Capital Outlay	50,177	79,514	50,177	79,514
Principal Retirement	93,697	129,270	93,697	129,270
Other Financing Uses	10	59	10	59
Interest and Fiscal Charges	36,017	40,850	36,017	40,850
Total Expenses	\$1,474,343	\$1,470,522	\$915,164	\$937,276

Business-type Activities

The water and sewer operations of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal. The Village hooked up to a more reliable source of safe drinking water to the Village. The Village hooked up to an interconnect project with Burr Oak in May 2011.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The Village's Funds

Total governmental funds had receipts of \$1,594,871 and disbursements of \$1,474,333. The greatest change within governmental funds occurred within the General Fund and Village Capital Projects Fund. The fund balance of the General Fund increased \$44,846 and the Village Capital Projects Fund increased \$261,431 as the result of more revenue collected.

General Fund receipts exceeded disbursements by \$173,521. The Council will continue to watch the finances to assure funds remain sound.

General Fund Budgeting Highlights

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

During 2017, the Village amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were more than original budgeted receipts due to varying factors. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$605,623 while actual disbursements were \$600,624. The Village increased final budgeted disbursements because final budgeted receipts were increased and final disbursements did not exceed the budget. The result is the increase in fund balance of \$39,565 for 2017.

Debt Administration

At December 31, 2017, the Village's outstanding debt was \$2,455,523. For further information regarding the Village's debt, refer to Note 10 and 11 to the basic financial statements.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2018; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan became effective for 2010. We will continue to review our sources of revenue and determine what action may need to be done accordingly. We will continue to monitor the disbursement history of the Village. All departments have been asked to reduce their spending for supplies.

The Village of Crooksville shares a regional sewer plant with the Village of Roseville. The Village shares the cost to operate and maintain the plant.

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 Brittany Ross, Fiscal Officer, Village of Crooksville, 98 South Buckeye Street, Crooksville, OH 43731.

Village of Crooksville
Perry County
Statement of Net Position - Cash Basis
December 31, 2017

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$941,055	\$1,595,844	\$2,536,899
<i>Total Assets</i>	<u>\$941,055</u>	<u>\$1,595,844</u>	<u>\$2,536,899</u>
Net Position			
Restricted for:			
Capital Projects	\$265,079	\$0	\$265,079
Debt Service	94,084	114,733	208,817
Other Purposes	525,097	94,415	619,512
Unrestricted	56,795	1,386,696	1,443,491
<i>Total Net Position</i>	<u>\$941,055</u>	<u>\$1,595,844</u>	<u>\$2,536,899</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2017

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Current:						
Security of Persons and Property	\$611,399	\$130,445	\$0	(\$480,954)	\$0	(\$480,954)
Public Health Services	0	282,911	0	282,911	0	282,911
Leisure Time Activities	126,041	33,952	0	(92,089)	0	(92,089)
Community Environment	156,931	375	0	(156,556)	0	(156,556)
Transportation	217,858	15,194	76,954	(125,710)	0	(125,710)
General Government	182,213	19,348	0	(162,865)	0	(162,865)
Capital Outlay	50,177	0	0	(50,177)	0	(50,177)
Debt Service:						
Principal Retirement	93,697	0	0	(93,697)	0	(93,697)
Interest and Fiscal Charges	36,017	0	0	(36,017)	0	(36,017)
Other	10	0	0	(10)	0	(10)
<i>Total Governmental Activities</i>	<u>1,474,343</u>	<u>482,225</u>	<u>76,954</u>	<u>(915,164)</u>	<u>0</u>	<u>(915,164)</u>
Business-Type Activities						
Water Works	960,497	1,306,878	0	0	346,381	346,381
Sewage System	401,358	658,778	0	0	257,420	257,420
Water Works Capital Improvement	933,451	0	544,568	0	(388,883)	(388,883)
Sewage Debt Service	59,900	0	0	0	(59,900)	(59,900)
Roseville Debt Service	10,432	0	0	0	(10,432)	(10,432)
Sewage Improvement Debt Service	3,689	0	0	0	(3,689)	(3,689)
Waterline Replacement Debt Service	1,325	0	0	0	(1,325)	(1,325)
Sayre Reservoir Debt Service	3,342	0	0	0	(3,342)	(3,342)
Saltillo-Cloverhill Debt Service	15,376	0	0	0	(15,376)	(15,376)
Burr Oak Debt Service	33,211	0	0	0	(33,211)	(33,211)
Waterline Replacement Design DS	354,108	0	0	0	(354,108)	(354,108)
Guarantee Deposit	16,800	16,950	0	0	150	150
Sewage Replacement	13,805	0	0	0	(13,805)	(13,805)
<i>Total Business-Type Activities</i>	<u>2,807,294</u>	<u>1,982,606</u>	<u>544,568</u>	<u>0</u>	<u>(280,120)</u>	<u>(280,120)</u>
<i>Total Primary Government</i>	<u>\$4,281,637</u>	<u>\$2,464,831</u>	<u>\$621,522</u>	<u>(915,164)</u>	<u>(280,120)</u>	<u>(1,195,284)</u>
General Receipts:						
Property Taxes				146,218	0	146,218
Income Taxes				632,846	0	632,846
Other Local Taxes				31,336	0	31,336
Grants and Entitlements not Restricted to Specific Programs				52,133	0	52,133
OWDA Loan Proceeds				0	705,539	705,539
Sale of Capital Assets				141,697	0	141,697
Earnings on Investments				8,064	0	8,064
Miscellaneous				165,095	36,502	201,597
Transfers				93,554	(93,554)	0
<i>Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers and Advances</i>				<u>1,270,943</u>	<u>648,487</u>	<u>1,919,430</u>
Change in Net Position				355,779	368,367	724,146
<i>Net Position Beginning of Year</i>				<u>585,276</u>	<u>1,227,477</u>	<u>1,812,753</u>
<i>Net Position End of Year</i>				<u>\$941,055</u>	<u>\$1,595,844</u>	<u>\$2,536,899</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2017

	General	Street Construction Maintenance and Repair	EMS	Village Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$56,795	\$21,666	\$185,044	\$265,079	\$412,471	\$941,055
<i>Total Assets</i>	<u>\$56,795</u>	<u>\$21,666</u>	<u>\$185,044</u>	<u>\$265,079</u>	<u>\$412,471</u>	<u>\$941,055</u>
Fund Balances						
Nonspendable	\$0	\$0	\$0	\$0	\$0	\$0
Restricted	0	21,666	185,044	265,079	412,471	884,260
Assigned	5,282	0	0	0	0	5,282
Unassigned (Deficit)	51,513	0	0	0	0	51,513
<i>Total Fund Balances</i>	<u>\$56,795</u>	<u>\$21,666</u>	<u>\$185,044</u>	<u>\$265,079</u>	<u>\$412,471</u>	<u>\$941,055</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2017

	General	Street Construction Maintenance and Repair	EMS	Village Capital Projects	Other Governmental Funds	Total Governmental Funds
Receipts						
Municipal Income Taxes	\$632,846	\$0	\$0	\$0	\$0	\$632,846
Property Taxes	29,641	0	0	0	107,945	137,586
Other Local Taxes	20,922	14,054	0	0	11,554	46,530
Intergovernmental	54,123	71,182	0	0	12,414	137,719
Charges for Services	10,216	0	323,506	0	113,604	447,326
Fines, Licenses and Permits	10,294	0	0	0	9,411	19,705
Earnings on Investments	3,550	506	0	0	4,008	8,064
Miscellaneous	7,272	3,365	9,616	136,614	8,228	165,095
<i>Total Receipts</i>	<u>768,864</u>	<u>89,107</u>	<u>333,122</u>	<u>136,614</u>	<u>267,164</u>	<u>1,594,871</u>
Disbursements						
Current:						
Security of Persons and Property	245,071	0	306,723	0	59,605	611,399
Leisure Time Activities	0	0	0	11,505	114,536	126,041
Community Environment	156,931	0	0	0	0	156,931
Transportation	0	214,743	0	0	3,115	217,858
General Government	180,064	0	0	0	2,149	182,213
Capital Outlay	13,277	30,180	4,000	0	2,720	50,177
Debt Service:						
Principal Retirement	0	0	0	0	93,697	93,697
Interest and Fiscal Charges	0	0	0	0	36,017	36,017
<i>Total Disbursements</i>	<u>595,343</u>	<u>244,923</u>	<u>310,723</u>	<u>11,505</u>	<u>311,839</u>	<u>1,474,333</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>173,521</u>	<u>(155,816)</u>	<u>22,399</u>	<u>125,109</u>	<u>(44,675)</u>	<u>120,538</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	5,375	136,322	0	141,697
Transfers In	46,000	151,410	0	0	137,416	334,826
Transfers Out	(174,665)	(8,109)	(19,761)	0	(38,737)	(241,272)
Other Financing Uses	(10)	0	0	0	0	(10)
<i>Total Other Financing Sources (Uses)</i>	<u>(128,675)</u>	<u>143,301</u>	<u>(14,386)</u>	<u>136,322</u>	<u>98,679</u>	<u>235,241</u>
<i>Net Change in Fund Balances</i>	44,846	(12,515)	8,013	261,431	54,004	355,779
<i>Fund Balances Beginning of Year</i>	11,949	34,181	177,031	3,648	358,467	585,276
<i>Fund Balances End of Year</i>	<u>\$56,795</u>	<u>\$21,666</u>	<u>\$185,044</u>	<u>\$265,079</u>	<u>\$412,471</u>	<u>\$941,055</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$525,001	\$632,849	\$632,846	(\$3)
Property Taxes	26,250	29,641	29,641	0
Other Local Taxes	20,500	20,922	20,922	0
Intergovernmental	49,375	54,124	54,123	(1)
Charges for Services	7,514	10,216	10,216	0
Fines, Licenses and Permits	7,700	10,294	10,294	0
Earnings on Investments	500	3,470	3,550	80
Miscellaneous	6,900	7,606	7,272	(334)
<i>Total Receipts</i>	<u>643,740</u>	<u>769,122</u>	<u>768,864</u>	<u>(258)</u>
Disbursements				
Current:				
Security of Persons and Property	216,993	247,775	247,495	280
Community Environment	143,348	159,669	158,714	955
General Government	164,948	184,901	181,138	3,763
Capital Outlay	1,000	13,278	13,277	1
<i>Total Disbursements</i>	<u>526,289</u>	<u>605,623</u>	<u>600,624</u>	<u>4,999</u>
<i>Excess of Receipts Over Disbursements</i>	<u>117,451</u>	<u>163,499</u>	<u>168,240</u>	<u>4,741</u>
Other Financing Sources (Uses)				
Transfers In	350,000	413,160	46,000	(367,160)
Transfers Out	(444,830)	(542,819)	(174,665)	368,154
Other Financing Uses	0	(10)	(10)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(94,830)</u>	<u>(129,669)</u>	<u>(128,675)</u>	<u>994</u>
<i>Net Change in Fund Balance</i>	22,621	33,830	39,565	5,735
<i>Unencumbered Fund Balance Beginning of Year</i>	8,282	8,282	8,282	0
Prior Year Encumbrances Appropriated	3,667	3,667	3,667	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$34,570</u>	<u>\$45,779</u>	<u>\$51,514</u>	<u>\$5,735</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
 Street Construction, Maint. and Repair
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Other Local Taxes	\$15,000	\$14,054	\$14,054	\$0
Intergovernmental	63,000	71,184	71,182	(2)
Earnings on Investments	350	950	506	(444)
Miscellaneous	750	3,525	3,365	(160)
<i>Total Receipts</i>	79,100	89,713	89,107	(606)
Disbursements				
Current:				
Transportation	163,128	221,025	216,988	4,037
Capital Outlay	0	30,183	30,180	3
<i>Total Disbursements</i>	163,128	251,208	247,168	4,040
<i>Excess of Receipts Over (Under) Disbursements</i>	(84,028)	(161,495)	(158,061)	3,434
Other Financing Sources (Uses)				
Transfers In	85,900	151,410	151,410	0
Transfers Out	(9,018)	(8,138)	(8,109)	29
<i>Total Other Financing Sources (Uses)</i>	76,882	143,272	143,301	29
<i>Net Change in Fund Balance</i>	(7,146)	(18,223)	(14,760)	3,463
<i>Unencumbered Fund Balance Beginning of Year</i>	26,118	26,118	26,118	0
Prior Year Encumbrances Appropriated	8,063	8,063	8,063	0
<i>Unencumbered Fund Balance End of Year</i>	\$27,035	\$15,958	\$19,421	\$3,463

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
 EMS
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	399,000	385,005	323,506	(61,499)
Miscellaneous	1,000	9,620	9,616	(4)
<i>Total Receipts</i>	<u>400,000</u>	<u>394,625</u>	<u>333,122</u>	<u>(61,503)</u>
Disbursements				
Current:				
Security of Persons and Property	448,678	448,678	310,987	137,691
Capital Outlay	17,506	17,506	4,000	13,506
<i>Total Disbursements</i>	<u>466,184</u>	<u>466,184</u>	<u>314,987</u>	<u>151,197</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(66,184)</u>	<u>(71,559)</u>	<u>18,135</u>	<u>89,694</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	5,375	5,375	0
Transfers Out	(20,000)	(20,000)	(19,761)	239
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>(14,625)</u>	<u>(14,386)</u>	<u>239</u>
<i>Net Change in Fund Balance</i>	(86,184)	(86,184)	3,749	89,933
<i>Unencumbered Fund Balance Beginning of Year</i>	173,797	173,797	173,797	0
Prior Year Encumbrances Appropriated	3,234	3,234	3,234	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$90,847</u>	<u>\$90,847</u>	<u>\$180,780</u>	<u>\$89,933</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2017

	Business-Type Activities							Total Enterprise Funds
	Water Works	Sewage System	Water Works Capital	Waterline Replacement Design	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Assets								
Equity in Pooled Cash and Cash Equivalents	\$357,976	\$318,001	\$116,987	\$0	\$186,881	\$146,162	\$469,837	\$1,595,844
<i>Total Assets</i>	<u>\$357,976</u>	<u>\$318,001</u>	<u>\$116,987</u>	<u>\$0</u>	<u>\$186,881</u>	<u>\$146,162</u>	<u>\$469,837</u>	<u>\$1,595,844</u>
Net Position								
Restricted for:								
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$114,733	\$114,733
Other Purposes	0	0	0	0	0	0	94,415	94,415
Unrestricted	357,976	318,001	116,987	0	186,881	146,162	260,689	1,386,696
<i>Total Net Position</i>	<u>\$357,976</u>	<u>\$318,001</u>	<u>\$116,987</u>	<u>\$0</u>	<u>\$186,881</u>	<u>\$146,162</u>	<u>\$469,837</u>	<u>\$1,595,844</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities							Total Enterprise Funds
	Water Works	Sewage System	Water Works Capital	Waterline Replacement Design	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Operating Receipts								
Charges for Services	\$1,306,878	\$658,778	\$0	\$0	\$0	\$0	\$16,950	\$1,982,606
<i>Total Operating Receipts</i>	<u>1,306,878</u>	<u>658,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,950</u>	<u>1,982,606</u>
Operating Disbursements								
Personal Services	108,559	108,551	0	0	0	0	0	217,110
Employee Fringe Benefits	58,280	56,775	0	0	0	0	0	115,055
Contractual Services	678,713	149,186	598,068	0	0	11,424	10,432	1,447,823
Supplies and Materials	35,695	12,160	0	0	0	2,381	0	50,236
Other	176	75	0	0	0	0	16,800	17,051
<i>Total Operating Disbursements</i>	<u>881,423</u>	<u>326,747</u>	<u>598,068</u>	<u>0</u>	<u>0</u>	<u>13,805</u>	<u>27,232</u>	<u>1,847,275</u>
<i>Operating Income (Loss)</i>	<u>425,455</u>	<u>332,031</u>	<u>(598,068)</u>	<u>0</u>	<u>0</u>	<u>(13,805)</u>	<u>(10,282)</u>	<u>135,331</u>
Non-Operating Receipts (Disbursements)								
Intergovernmental	0	0	544,568	0	0	0	0	544,568
OWDA Loan Proceeds	0	0	360,363	345,176	0	0	0	705,539
Miscellaneous Receipts	4,229	2,420	0	0	0	0	16	6,665
Capital Outlay	(79,074)	(74,611)	0	0	0	0	0	(153,685)
Principal Retirement	0	0	(335,383)	(354,108)	0	0	(78,920)	(768,411)
Interest and Other Fiscal Charges	0	0	0	0	0	0	(37,923)	(37,923)
Other Financing Sources	0	0	0	0	0	0	29,837	29,837
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(74,845)</u>	<u>(72,191)</u>	<u>569,548</u>	<u>(8,932)</u>	<u>0</u>	<u>0</u>	<u>(86,990)</u>	<u>326,590</u>
<i>Income (Loss) before Transfers</i>	<u>350,610</u>	<u>259,840</u>	<u>(28,520)</u>	<u>(8,932)</u>	<u>0</u>	<u>(13,805)</u>	<u>(97,272)</u>	<u>461,921</u>
Transfers In	7,444	4,451	43,045	16,376	59,423	30,000	202,962	363,701
Transfers Out	(286,162)	(159,198)	0	(7,444)	0	0	(4,451)	(457,255)
<i>Change in Net Position</i>	<u>71,892</u>	<u>105,093</u>	<u>14,525</u>	<u>0</u>	<u>59,423</u>	<u>16,195</u>	<u>101,239</u>	<u>368,367</u>
<i>Net Position Beginning of Year</i>	<u>286,084</u>	<u>212,908</u>	<u>102,462</u>	<u>0</u>	<u>127,458</u>	<u>129,967</u>	<u>368,598</u>	<u>1,227,477</u>
<i>Net Position End of Year</i>	<u>\$357,976</u>	<u>\$318,001</u>	<u>\$116,987</u>	<u>\$0</u>	<u>\$186,881</u>	<u>\$146,162</u>	<u>\$469,837</u>	<u>\$1,595,844</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Cash Flows - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2017

	Business-Type Activities							Total Enterprise Funds
	Water Works	Sewage System	Water Works Capital	Waterline Replacement Design	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Increase (Decrease) in Cash and Cash Equivalents								
Cash Flows from Operating Activities								
Cash Received from Customers	\$1,306,878	\$658,778	\$0	\$0	\$0	\$0	\$16,950	\$1,982,606
Cash Payments to Employees for Services	(108,559)	(108,551)	0	0	0	0	0	(217,110)
Cash Payments for Employee Benefits	(58,280)	(56,775)	0	0	0	0	0	(115,055)
Cash Payments for Goods and Services	(714,408)	(161,346)	(598,068)	0	0	(13,805)	(10,432)	(1,498,059)
Other Cash Payments	(176)	(75)	0	0	0	0	(16,800)	(17,051)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>425,455</u>	<u>332,031</u>	<u>(598,068)</u>	<u>0</u>	<u>0</u>	<u>(13,805)</u>	<u>(10,282)</u>	<u>135,331</u>
Cash Flows from Noncapital Financing Activities								
Intergovernmental Receipts	0	0	544,568	0	0	0	0	544,568
Other Cash Receipts	4,229	2,420	0	0	0	0	29,853	36,502
Transfers In	7,444	4,451	43,045	16,376	59,423	30,000	202,962	363,701
Transfers Out	(286,162)	(159,198)	0	(7,444)	0	0	(4,451)	(457,255)
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>(274,489)</u>	<u>(152,327)</u>	<u>587,613</u>	<u>8,932</u>	<u>59,423</u>	<u>30,000</u>	<u>228,364</u>	<u>487,516</u>
Cash Flows from Capital and Related Financing Activities								
OWDA Loan Proceeds	0	0	360,363	345,176	0	0	0	705,539
Principal Paid on Debt	0	0	(335,383)	(354,108)	0	0	0	(689,491)
Interest Paid on Debt	0	0	0	0	0	0	(78,920)	(78,920)
Payments for Capital Acquisitions	(79,074)	(74,611)	0	0	0	0	(37,923)	(191,608)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(79,074)</u>	<u>(74,611)</u>	<u>24,980</u>	<u>(8,932)</u>	<u>0</u>	<u>0</u>	<u>(116,843)</u>	<u>(254,480)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>71,892</u>	<u>105,093</u>	<u>14,525</u>	<u>0</u>	<u>59,423</u>	<u>16,195</u>	<u>101,239</u>	<u>368,367</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>286,084</u>	<u>212,908</u>	<u>102,462</u>	<u>0</u>	<u>127,458</u>	<u>129,967</u>	<u>368,598</u>	<u>1,227,477</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$357,976</u>	<u>\$318,001</u>	<u>\$116,987</u>	<u>\$0</u>	<u>\$186,881</u>	<u>\$146,162</u>	<u>\$469,837</u>	<u>\$1,595,844</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1- Reporting Entity

The Village of Crooksville, Perry 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.

Note 2- Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a 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. The more significant of the Village's accounting policies are described below.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government- Wide Financial Statements

The statement of net position 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 in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance, of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-like activity is self-financing on a cash basis or draws from the general receipts of the Village.

2. Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. Non major funds are aggregated and presented in a single column.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 fund statements report all other receipts and disbursements as non-operating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted to use. The funds of the Village are presented in two categories: governmental and proprietary.

1. Governmental Funds

Governmental Funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

EMS Fund receives monies from charges for services related to emergency medical services to offset the costs of equipment for emergency medical protection.

Street Construction Maintenance and Repair Fund receives monies from the County and State Auditor for motor vehicle and gas taxes to help with maintaining and repairing streets within the Village.

Village Capital Projects Fund is used to account for financial resources received for the acquisition or construction of major capital facilities.

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

2. Proprietary Funds

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

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 following are the Village's major enterprise funds:

Water Fund – The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Waterline Replacement Design Fund - The waterline replacement design fund accounts for the OWDA funding and transfers made to it by the Water Fund to help set back funds to pay for the waterline replacement project.

Water Works Reserve Fund - The Water Works Reserve Fund receives monthly transfers from the Water Works fund.

Sewage Replacement Fund – The sewage replacement fund accounts for the transfers made monthly to it by the Sewage System Fund to help set back funds to pay for repairs such as to the sanitary pump stations.

Water Works Capital Improvement Fund- This fund accounts for acquisition, construction, reconstruction, or improvement of water supply systems.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency fund accounts for Mayor's Court activities. At December 31, 2017 Mayor's Court had a zero balance; therefore, no financial statement is presented.

C. 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 a 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and set annual limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

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The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as 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 certificate of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restrictions 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 Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

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 investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2017, the Village had its monies in checking accounts and STAR Ohio. The Village’s deposits are insured by the Federal Depository Insurance Corporation or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

STAR Ohio (The State Treasury Asset Reserve of Ohio), is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants”. The Village measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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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 2017 was \$3,550.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

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

The fund financial statements report outstanding Interfund loans as Interfund receivables/payables. Interfund loans which do not represent available expendable resources are classified as nonspendable fund balance. Interfund balances are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

K. Employer Contributions to Cost- Sharing 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.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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M. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street and state highway maintenance and repairs, police and fire protection, activities of the Village's Court, and the Village's parks and pool.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes which both restricted and unrestricted resources are available.

N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities, Payments for Interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/ uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of Interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purpose imposed by formal action (ordinance or resolution, as both are legally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Council

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removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previous commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution, or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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, EMS, and SCMR funds are 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 as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balances (cash basis).
2. Outstanding year end advances are treated as another financial source or use (budgetary basis) rather than as an Interfund receivable or payable (cash basis).
3. Unreported interest is reported on the statement of modified receipts, disbursements, and changed in fund balances (cash basis), but not on the budgetary basis.

The encumbrances outstanding at year end 2017 (budgetary basis) amounted to \$5,282 for the General Fund, \$4,264 for the EMS fund, and \$2,245 for the SCMR fund.

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Note 4 – Deposits and Investments

State Statutes classify monies held by the Village into three categories.

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

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

1. United States Treasury bills, bond 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;
2. Bonds, notes, debentures, or any other obligation or security issues 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 and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio or Ohio local governments;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

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Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2017, the Village had the following investments:

	Measurement Value	Maturity
STAR Ohio	\$347,903	Less than 1 year

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village’s investment policy addresses interest rate risk by requiring that the Village’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor’s. The Village has no investment policy dealing with investment credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Income Taxes

The Village levies a 1.5 percent income tax whose proceeds are placed into the Income Tax Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or 100 percent of the 1.5 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.

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Note 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Real property tax receipts received in 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property are levied after October 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State Statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016 are levied after October 1, 2017 and are collected in 2018 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2017 was \$60.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

- Real Property \$19,909,440
- Public Utility Personal Property \$ 5,506,750
- Total \$25,416,190

Note 7 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, the Village contracted with Trident/ Argonaut Insurance Companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Property	\$12,965,242	\$1,000.00
Misc. Scheduled Equipment	\$706,600	\$1,000.00
Misc. Unscheduled Equipment	\$136,890	\$1,000.00
Fire Legal Liability	\$100,000	None
Automobile Liability	\$1,000,000	None
General Liability	\$1,000,000/\$3,000,000	None
Public Officials Liability	\$1,000,000/\$3,000,000	\$2,500.00
Law Enforcement Liability	\$1,000,000/\$3,000,000	\$2,500.00
Employment Practice Liability	\$1,000,000/\$3,000,000	\$2,500.00
Employee Benefits Liability	\$1,000,000/\$3,000,000	\$1,000.00
Excess Liability	\$1,000,000/\$1,000,000	None
Computer Property Coverage	\$100,000	\$250.00

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Forgery & Alliteration	\$25,000	\$250.00
Public Employee Dishonesty	\$100,000	\$1,000.00
Money and Securities Coverage	\$15,000	\$250.00
Computer Fraud	\$100,000	\$1,000.00

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

Worker’s Compensation coverage is provided by the State of Ohio. The Village pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 8 – Defined Benefits Pension Plans

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The Traditional pension plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <http://www.opers.org/financial/reports.shtml> , by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution was \$102,741 for year 2017.

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Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - Village full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OPF CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percent increase in the consumer price index (CPI), if any, over the 12-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy- The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village’s contractually required contribution to OPF was \$16,468.88 for 2017.

Some of the Village’s employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2017.

Note 9 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS’ CAFR referenced below for additional information.

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The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614)-222-5601 or 800-222-7377.

Funding Policy- The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017 state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care of members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and was 1.0 percent during calendar year 2017. The OPERS board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the Village's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$1,027, 1,841, and \$1,663 respectively, 100% has been contributed for 2017, 2016, and 2015.

B. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire Employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OPF for the year ended December 31, 2017, 2016, and 2015 were \$16,469, \$14,706 and \$17,901, respectively, of which \$82, \$74, and \$90, respectively, was allocated to the healthcare plan. The full amount has been contributed for all three years.

Village of Crooksville
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For the Year Ended December 31, 2017

Note 10 – Debt

A summary of debt for the years ended December 31, 2017 was as follows:

Loan	Principal	Interest Rate
OWDA #3957	\$20,277	2.00%
OWDA #4686	\$0	4.12%
OWDA #4913	\$281,695	1.50%
OWDA #5069	\$111,318	0%
OWDA #5054	\$500,358	1.00%
OWDA #6713	\$0	4.45%
OWDA #7771	\$352,410	0%
OPWC #CT49A	\$1,988	0%
OPWC #CR21J	\$8,435	0%
OPWC#CR22R	\$40,542	0%
Mortgage Revenue Bonds	\$526,000	5.00%
Recreation Center Bonds	\$40,000	4.75%
Capital Facilities Bond	<u>\$572,500</u>	4.20%
Total	<u>\$2,455,523</u>	

Loans	Balance 1/1/2017	Additions	Principal Reduction	Balance 12/31/2017	Due in One Year
OWDA	\$1,284,379	\$713,391	(\$731,712)	\$1,266,058	\$19,460
OPWC	\$63,773	\$0	(\$12,808)	\$50,965	\$6,404
Bonds	<u>\$1,227,800</u>	<u>\$0</u>	<u>(\$89,300)</u>	<u>\$1,138,500</u>	<u>\$93,200</u>
Total	<u>\$2,575,952</u>	<u>\$713,391</u>	<u>(\$833,820)</u>	<u>\$2,455,523</u>	<u>\$119,064</u>

The Ohio Water Development Authority (OWDA) Loan 3957 on September 25, 2003 has approved a \$54,870 loan related to the Sayre Reservoir Repair Project. The amount was disbursed in 2004. The loan will be repaid in semiannual installments of \$1,671 including interest, over 20 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4686 relates to sewer system improvements. The amount was disbursed in 2007. The loan will be repaid in semiannual installments of \$3,691 including interest, over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This was paid off in 2017.

The Ohio Water Development Authority (OWDA) Loan 4913 relates to waterlines, booster stations and elevated storage. The amount of the loan is \$370,000. The loan will be repaid in semiannual payments of \$7,688 including interest over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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For the Year Ended December 31, 2017

The Ohio Public Works Commission (OPWC) Loan CT49A had an original issue amount of \$26,505 and relates to a raw water line replacement project. The loan is being repaid in semiannual installments of \$663 including interest, over 20 years, from user fees.

The Ohio Public Works Commission (OPWC) Loan CR22R had an original issue amount of \$64,868 and relates to Village street paving. The loan is being repaid in semiannual installments of \$4054 over 8 years. Mortgage Revenue Bonds were issued in the amount of \$1,010,000 to finance the construction of a sanitary sewer collection and disposal system. The bonds are being repaid in annual installments over 40 years from user fees. The loan numbers are 92-03 and 92-05.

Recreation Center Bonds were issued in the amount of \$184,000 to finance the renovation of a community center. The bonds are being repaid in annual installments over 20 years.

Capital Facilities Bonds were issued in the amount of \$946,900 to finance the building of the Village Administration Building. The bonds are being repaid in annual installments over 20 years.

The Ohio Public Works Commission (OPWC) Loan CR21J had an original amount of \$33,740 and relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments for \$1,687.

The Ohio Water Development Authority Loan (5054) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$12,445 including interest.

The Ohio Water Development Authority Loan (5069) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$2,473.

The Ohio Water Development Authority Loan (6713) relates to a Waterline Replacement Design Project. This loan is still in the active phase. Approved financing for this project is \$381,987. First payment is scheduled for July 1, 2015 and a final balloon payment is scheduled for January 1, 2020. This was paid off in 2017.

The Ohio Water Development Authority Loan (7771) relates to a Water Systems Improvements Project. This loan is still in the active phase. Approved financing for this project is \$1,488,882. First payment is scheduled for January 1, 2020 and a final balloon payment is scheduled for July 1, 2049. The actual amortization has not been set and are not included in the OWDA amounts below.

Village of Crooksville
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Notes to the Financial Statements
For the Year Ended December 31, 2017

Principal and interest requirements to retire debt outstanding at December 31, 2017 were as follows:

Year	OWDA Principal	OWDA Interest	OPWC	Bonds Principal	Bonds Interest
2018	\$19,461	\$4,817	\$6,404	\$93,200	\$52,245
2019	39,240	9,315	12,808	97,200	47,995
2020	39,671	8,885	11,482	101,300	43,561
2021	40,107	8,448	8,108	91,500	38,942
2022	40,549	8,006	8,108	95,700	34,795
2023-27	199,310	33,441	4,055	548,600	104,708
2028-32	203,015	23,051	0	111,000	8,400
2033-37	213,890	12,177	0	0	0
2038-40	<u>118,405</u>	<u>1,858</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$913,648</u>	<u>\$109,998</u>	<u>\$50,965</u>	<u>\$1,138,500</u>	<u>\$330,646</u>

Note 11 – Leases

The Village leases vehicles and other equipment under noncancelable leases. The Village disbursed \$42,409 to pay lease costs for the year ended December 31, 2017.

The Village had a capital lease that relates to a fire truck in 2013. The original lease amount was \$290,398 and the annual lease payment is \$35,888. Final lease payment is due in 2022.

The Village had a capital lease that relates to a Police Cruiser in 2016. The original lease amount was \$28,885 and the annual lease payment is \$6,521. Final lease payment is due in 2020.

Future lease payments are as follows:

Year	Fire Truck	Police Cruiser
2018	\$35,888	\$6,521
2019	\$35,888	\$6,521
2020	\$35,888	\$6,521
2021	\$35,888	0
2022	<u>\$35,888</u>	<u>0</u>
Total	<u>\$179,440</u>	<u>\$19,563</u>

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 12 – Interfund Transfers

During 2017 the Village made the following transfers:

Fund	Transfers In	Transfers Out
Governmental		
General	\$46,000	\$174,665
Street Construction Maintenance and Repair	\$151,410	\$8,108
EMS	-	\$19,761
Other Governmental	\$137,416	\$38,737
Business Type		
Water	\$7,444	\$286,162
Sewer	\$4,451	\$159,198
Water Works Capital	\$43,045	-
Waterline Replace. Des.	\$16,376	\$7,444
Water Works Reserve	\$59,423	-
Sewage Replacement	\$30,000	-
Other Enterprise	<u>\$202,962</u>	<u>\$4,451</u>
Total	<u>\$698,527</u>	<u>\$698,527</u>

The Village made the above transfers in accordance with the Ohio Revised Code.

The general fund transfers to the other governmental funds were made to provide additional resources for current operations. The Income Tax fund transfers to the General for current operations. These transfers are eliminated on the financial statements. The Income Tax fund also transfers to the Municipal Debt fund for Debt service requirements. The Income Tax fund also transfers to the Street and Pool and Park Funds.

Water and Sewer operations transfer funds to various funds to provide resources for debt service. Various special funds transferred money to the debt service fund to pay related debt.

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and other governmental funds are presented below:

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Fund Balances at December 31, 2017:

Fund Balances	General Fund	Street Construction, Maintenance and Repair	EMS	Village Capital Projects	Other Governmental Funds	Total
Restricted For:						
State Highway	-	-	-	-	\$57,384	\$57,384
Street Fund	-	\$21,666	-	-	\$0	\$21,666
Pool & Park	-	-	-	-	\$95,265	\$95,265
Drug Enforce.	-	-	-	-	\$4,095	\$4,095
Permissive Tax	-	-	-	-	\$43,776	\$43,776
Tree Commission	-	-	-	-	\$316	\$316
Mayors Court Comp.	-	-	-	-	\$8,265	\$8,265
Indigent Driver Interlock	-	-	-	-	\$1,050	\$1,050
Fire Levy	-	-	-	-	\$89,994	\$89,994
Police Equipment	-	-	-	-	\$18,242	\$18,242
Municipal Debt Service	-	-	-	-	\$9,393	\$9,393
Fire Levy Debt	-	-	-	-	\$63,953	\$63,953
Rec Center Debt	-	-	-	-	\$20,738	\$20,738
Village Cap Projects	-	-	-	\$265,079	-	\$265,079
EMS	-	-	<u>\$185,044</u>	-	-	<u>\$185,044</u>
Total Restricted	-	<u>\$21,666</u>	<u>\$185,044</u>	<u>\$265,079</u>	<u>\$412,471</u>	<u>\$884,260</u>
Committed For:						
Total Committed	-	-	-	-	-	-
Assigned For:						
Encumbrances	\$5,282	-	-	-	-	\$5,282
Total Assigned	<u>\$5,282</u>	-	-	-	-	<u>\$5,282</u>
Unassigned	<u>\$51,513</u>	-	-	-	-	<u>\$51,513</u>
Total	<u>\$56,795</u>	<u>\$21,666</u>	<u>\$185,044</u>	<u>\$265,079</u>	<u>\$412,471</u>	<u>\$941,055</u>

Note 14 – Contingent Liabilities

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

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Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

This discussion and analysis of the Village of Crooksville's (also referred to as the Village) financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2016, 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 2016 are as follows:

- Net position of governmental activities decreased \$27,602 or 4.5%. The funds most affected by the decrease in cash and cash equivalents was the EMS fund, which realized the decreased revenue in 2016; however, cost increases affected most funds.
- The Village has two business-type activities. They are the water and sewer funds. The net position increased by \$273,821 or 28.7%

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 position 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.

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

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 the cash basis of accounting. This basis of accounting is 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.

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.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2016, within the limitations of cash basis accounting. The statement of net position 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 position and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here, including police, fire, streets, parks and construction projects. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity: The Village has two business-type activities funds, the provision of water, and of other sewer. Business-type activities are financed by a fee charged to the customers receiving services.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the 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 funds are the General Fund, EMS, Village Capital Projects fund and SCMR Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has several major enterprise funds, the Water Works, Sewage System, Water Works Capital Improvement, Waterline Replacement Design, Water Works Reserve, and Sewage Replacement Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs. The Village's agency fund accounts for Mayor's Court activities. At December 31, 2017 Mayor's Court had a zero balance; therefore no financial statement is presented.

The Village as a Whole

Table 1 reflects a summary of the Village's net position for 2016 compared to 2015 on the cash basis:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Cash and Cash Equivalents	\$585,276	\$640,684	\$1,227,477	\$925,851	\$1,812,753	\$1,566,535
Total Assets	<u>\$585,276</u>	<u>\$640,684</u>	<u>\$1,227,477</u>	<u>\$925,851</u>	<u>\$1,812,753</u>	<u>\$1,566,535</u>
Net Position						
Restricted for:						
Debt Service	\$86,382	\$0	\$87,782	\$59,358	\$174,164	\$59,358
Capital Projects	3,648	5,148	0	0	3,648	5,148
Other Purposes	483,297	488,254	94,249	93,538	577,546	581,792
Unrestricted	11,949	147,282	1,045,446	772,955	1,057,395	920,237
Total Net Position	<u>\$585,276</u>	<u>\$640,684</u>	<u>\$1,227,477</u>	<u>\$925,851</u>	<u>\$1,812,753</u>	<u>\$1,566,535</u>

As mentioned previously, net position of governmental activities decreased \$27,602 or 4.5% and net position of business-type activities increased \$273,821 or 28.7% during 2016. There is not one single primary reason contributing to the changes in cash balances. Table 2 reflects the changes in net position in 2016 versus 2015.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

(Table 2)

Changes in Net Position

	Governmental Activities		Business- Type Activites		Total	
	2016	2015	2016	2015	2016	2015
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$460,518	\$458,705	\$1,954,507	\$1,878,320	\$2,415,025	\$2,337,025
Operating Grants and Contributions	72,728	156,008	0	0	72,728	156,008
Total Program Receipts	533,246	614,713	1,954,507	1,878,320	2,487,753	2,493,033
General Receipts:						
Property and Other Local Taxes	160,133	144,878	0	0	160,133	144,878
Income Taxes	546,251	509,023	0	0	546,251	509,023
Grants and Entitlements Not Restricted to Specific Programs	65,685	50,364	0	0	65,685	50,364
Proceeds of Debt	0	64,868	46,557	171,767	46,557	236,635
Interest	5,338	3,853	0	0	5,338	3,853
Miscellaneous	28,031	109,263	32,223	0	60,254	109,263
Total General Receipts	805,438	882,249	78,780	171,767	884,218	1,054,016
Total Receipts	1,338,684	1,496,962	2,033,287	2,050,087	3,371,971	3,547,049
Disbursements:						
General Government	181,321	179,687	0	0	181,321	179,687
Security of Persons and Property:	552,150	581,023	0	0	552,150	581,023
Leisure Time Activities	116,173	100,438	0	0	116,173	100,438
Transportation	211,791	417,221	0	0	211,791	417,221
Community Environment	159,394	137,093	0	0	159,394	137,093
Capital Outlay	79,514	178,730	0	0	79,514	178,730
Debt Service:						
Principal Reduction	129,270	162,885	0	0	129,270	162,885
Interest and Fiscal Charges	40,850	75,588	0	0	40,850	75,588
Other	59	0	0	0	59	0
Water Operating	0	0	953,600	961,922	953,600	961,922
Sewage Operating	0	0	438,160	401,830	438,160	401,830
Water Works Capital Improvement	0	0	42,220	0	42,220	0
Guarantee Deposit	0	0	16,170	13,113	16,170	13,113
Water Replacement	0	0	6,500	0	6,500	0
Sewage Replacement	0	0	35,309	18,626	35,309	18,626
Other Enterprise	0	0	177,940	214,922	177,940	214,922
Total Disbursements	1,470,522	1,832,665	1,669,899	1,610,413	3,140,421	3,443,078
Excess (Deficiency) Before Transfers &						
Sale of Capital Assets	(131,838)	(335,703)	363,388	439,674	231,550	103,971
Sale of Capital Assets	13,782	1,204	887	0	14,669	1,204
Transfers In	712,295	505,150	355,414	211,515	1,067,709	716,665
Transfers Out	(621,841)	(310,713)	(445,868)	(405,952)	(1,067,709)	(716,665)
Increase (Decrease) in Net Position	(27,602)	(140,062)	273,821	245,237	246,219	105,175
Net Position, January 1 *	612,878	780,746	953,656	680,614	1,566,534	1,461,360
Net Position, December 31	\$585,276	\$640,684	\$1,227,477	\$925,851	\$1,812,753	\$1,566,535

* - The January 1, 2016 Net Position does not agree to the December 31, 2015 Net Position because 2015 included the Business Type Activites Debt Service Funds as Governmental Activities rather than Business Type.

Village of Crooksville
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Management's Discussion and Analysis
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Program receipts represent 73.8 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 utility changes for service.

General receipts represent 26.2 percent of the Village's total receipts, and of this amount, over 79 percent are property taxes, other local taxes, and income taxes. State and federal grants and entitlements make up much of the balance of the Village's general receipts (7 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of Council, and the Auditor, Fiscal Officer, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the costs of police and fire protection; Leisure Time Activities are the costs of maintaining the parks and pool and the Rec Center, and Transportation is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 for the years ended December 31, 2016 and 2015.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General Government	\$181,321	\$179,687	\$156,960	\$163,461
Security of Persons and Property	552,150	581,023	200,716	146,366
Public Safety	0	0	(36,797)	0
Leisure Time Activities	116,173	100,438	84,339	68,913
Community Environment	159,394	137,093	159,219	137,093
Transportation	211,791	417,221	123,146	284,916
Capital Outlay	79,514	178,730	79,514	178,730
Principal Retirement	129,270	162,885	129,270	162,885
Other Financing Uses	59	0	59	0
Interest and Fiscal Charges	40,850	75,588	40,850	75,588
Total Expenses	\$1,470,522	\$1,832,665	\$937,276	\$1,217,952

Business-type Activities

The water and sewer operations of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal. The Village hooked up to a more reliable source of safe drinking water to the Village. The Village hooked up to an interconnect project with Burr Oak in May 2011.

Village of Crooksville
Perry County

Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

The Village's Funds

Total governmental funds had receipts of \$1,338,684 and disbursements of \$1,470,522. The greatest change within governmental funds occurred within the EMS Fund. The fund balance of the EMS Fund decreased \$37,485 as the result of less revenue collected.

General Fund disbursements exceeded receipts by \$105,370. The Council will watch the finances to assure funds remain sound.

General Fund Budgeting Highlights

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

During 2016, the Village amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were less than original budgeted receipts due to varying factors. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$585,956 while actual disbursements were \$585,094. The Village decreased final budgeted disbursements because final budgeted receipts were decreased and final disbursements did not exceed the budget. The result is the decrease in fund balance of \$25,452 for 2016.

Debt Administration

At December 31, 2016, the Village's outstanding debt was \$2,575,952. For further information regarding the Village's debt, refer to Note 10 and 11 to the basic financial statements.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a deficit for 2017; therefore, the finance committee and the administration implemented a strategy to delay the deficit. This plan became effective for 2010. We will continue to review our sources of revenue and determine what action may need to be done accordingly. We will continue to monitor the disbursement history of the Village. All departments have been asked to reduce their spending for supplies.

The Village of Crooksville shares a regional sewer plant with the Village of Roseville. The Village shares the cost to operate and maintain the plant.

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 Brittany Ross, Fiscal Officer, Village of Crooksville, 98 South Buckeye Street, Crooksville, OH 43731.

Village of Crooksville
Perry County
Statement of Net Position - Cash Basis
December 31, 2016

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$585,276	\$1,227,477	\$1,812,753
<i>Total Assets</i>	<u>\$585,276</u>	<u>\$1,227,477</u>	<u>\$1,812,753</u>
Net Position			
Restricted for:			
Capital Projects	\$3,648	\$0	\$3,648
Debt Service	86,382	87,782	174,164
Other Purposes	483,297	94,249	577,546
Unrestricted	11,949	1,045,446	1,057,395
<i>Total Net Position</i>	<u>\$585,276</u>	<u>\$1,227,477</u>	<u>\$1,812,753</u>

See accompanying notes to the basic financial statements.

Village of Crookville
Perry County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2016

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Current:						
Security of Persons and Property	\$552,150	\$351,434	\$0	(\$200,716)	\$0	(\$200,716)
Public Health Services	0	36,797	0	36,797	0	36,797
Leisure Time Activities	116,173	31,834	0	(84,339)	0	(84,339)
Community Environment	159,394	175	0	(159,219)	0	(159,219)
Transportation	211,791	15,917	72,728	(123,146)	0	(123,146)
General Government	181,321	24,361	0	(156,960)	0	(156,960)
Capital Outlay	79,514	0	0	(79,514)	0	(79,514)
Debt Service:						
Principal Retirement	129,270	0	0	(129,270)	0	(129,270)
Interest and Fiscal Charges	40,850	0	0	(40,850)	0	(40,850)
Other	59	0	0	(59)	0	(59)
<i>Total Governmental Activities</i>	<u>1,470,522</u>	<u>460,518</u>	<u>72,728</u>	<u>(937,276)</u>	<u>0</u>	<u>(937,276)</u>
Business-Type Activities						
Water Works	953,600	1,299,281	0	0	345,681	345,681
Sewage System	438,160	638,526	0	0	200,366	200,366
Water Works Capital Improvement	42,220	0	0	0	(42,220)	(42,220)
Sewage Debt Service	59,400	0	0	0	(59,400)	(59,400)
Roseville Debt Service	40,058	0	0	0	(40,058)	(40,058)
Sewage Improvement Debt Service	7,362	0	0	0	(7,362)	(7,362)
Waterline Replacement Debt Service	1,325	0	0	0	(1,325)	(1,325)
Sayre Reservoir Debt Service	3,342	0	0	0	(3,342)	(3,342)
Saltillo-Cloverhill Debt Service	15,377	0	0	0	(15,377)	(15,377)
Burr Oak Debt Service	33,211	0	0	0	(33,211)	(33,211)
Waterline Replacement Design DS	17,865	0	0	0	(17,865)	(17,865)
Guarantee Deposit	16,170	16,700	0	0	530	530
Water Works Replacement	6,500	0	0	0	(6,500)	(6,500)
Sewage Replacement	35,309	0	0	0	(35,309)	(35,309)
<i>Total Business-Type Activities</i>	<u>1,669,899</u>	<u>1,954,507</u>	<u>0</u>	<u>0</u>	<u>284,608</u>	<u>284,608</u>
<i>Total Primary Government</i>	<u>\$3,140,421</u>	<u>\$2,415,025</u>	<u>\$72,728</u>	<u>(937,276)</u>	<u>284,608</u>	<u>(652,668)</u>
General Receipts:						
Property Taxes				139,470	0	139,470
Income Taxes				546,251	0	546,251
Other Local Taxes				20,663	0	20,663
Grants and Entitlements not Restricted to Specific Programs				65,685	0	65,685
OWDA Loan Proceeds				0	46,557	46,557
Sale of Capital Assets				13,782	887	14,669
Earnings on Investments				5,338	0	5,338
Miscellaneous				28,031	32,223	60,254
Transfers				90,454	(90,454)	0
<i>Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers and Advances</i>				<u>909,674</u>	<u>(10,787)</u>	<u>898,887</u>
Change in Net Position				(27,602)	273,821	246,219
<i>Net Position Beginning of Year</i>				<u>612,878</u>	<u>953,656</u>	<u>1,566,534</u>
<i>Net Position End of Year</i>				<u>\$585,276</u>	<u>\$1,227,477</u>	<u>\$1,812,753</u>

See accompanying notes to the basic financial statements

Village of Crooksville
Perry County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2016

	General	Street Const. Maint. Rep.	EMS	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$11,949	\$34,181	\$177,031	\$362,115	\$585,276
<i>Total Assets</i>	<u>\$11,949</u>	<u>\$34,181</u>	<u>\$177,031</u>	<u>\$362,115</u>	<u>\$585,276</u>
Fund Balances					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	34,181	177,031	362,115	573,327
Assigned	3,667	0	0	0	3,667
Unassigned (Deficit)	8,282	0	0	0	8,282
<i>Total Fund Balances</i>	<u>\$11,949</u>	<u>\$34,181</u>	<u>\$177,031</u>	<u>\$362,115</u>	<u>\$585,276</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2016

	General	Street Const. Maint. Rep.	EMS	Other Governmental Funds	Total Governmental Funds
Receipts					
Municipal Income Taxes	\$546,251	\$0	\$0	\$0	\$546,251
Property Taxes	26,177	0	0	95,566	121,743
Other Local Taxes	10,405	14,723	0	11,452	36,580
Intergovernmental	59,771	67,273	0	29,096	156,140
Charges for Services	7,195	0	306,062	106,808	420,065
Fines, Licenses and Permits	12,332	0	0	12,204	24,536
Earnings on Investments	1,650	415	0	3,273	5,338
Miscellaneous	23,016	761	0	4,254	28,031
<i>Total Receipts</i>	<u>686,797</u>	<u>83,172</u>	<u>306,062</u>	<u>262,653</u>	<u>1,338,684</u>
Disbursements					
Current:					
Security of Persons and Property	229,136	0	275,329	47,685	552,150
Leisure Time Activities	0	0	0	116,173	116,173
Community Environment	159,394	0	0	0	159,394
Transportation	0	208,067	0	3,724	211,791
General Government	179,890	0	0	1,431	181,321
Capital Outlay	13,007	18,391	20,172	27,944	79,514
Debt Service:					
Principal Retirement	0	0	0	129,270	129,270
Interest and Fiscal Charges	0	0	0	40,850	40,850
<i>Total Disbursements</i>	<u>581,427</u>	<u>226,458</u>	<u>295,501</u>	<u>367,077</u>	<u>1,470,463</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>105,370</u>	<u>(143,286)</u>	<u>10,561</u>	<u>(104,424)</u>	<u>(131,779)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	3,569	4,838	5,375	0	13,782
Transfers In	29,000	156,808	0	171,076	356,884
Transfers Out	(159,665)	(8,109)	(53,421)	(45,235)	(266,430)
Other Financing Uses	(59)	0	0	0	(59)
<i>Total Other Financing Sources (Uses)</i>	<u>(127,155)</u>	<u>153,537</u>	<u>(48,046)</u>	<u>125,841</u>	<u>104,177</u>
<i>Net Change in Fund Balances</i>	<u>(21,785)</u>	<u>10,251</u>	<u>(37,485)</u>	<u>21,417</u>	<u>(27,602)</u>
<i>Fund Balances Beginning of Year</i>	<u>33,734</u>	<u>23,930</u>	<u>214,516</u>	<u>340,698</u>	<u>612,878</u>
<i>Fund Balances End of Year</i>	<u>\$11,949</u>	<u>\$34,181</u>	<u>\$177,031</u>	<u>\$362,115</u>	<u>\$585,276</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Municipal Income Taxes	\$550,000	\$550,000	\$546,251	(\$3,749)
Property Taxes	28,500	26,177	26,177	0
Other Local Taxes	21,800	10,406	10,405	(1)
Intergovernmental	51,478	59,774	59,771	(3)
Charges for Services	7,900	7,900	7,195	(705)
Fines, Licenses and Permits	8,600	12,643	12,332	(311)
Earnings on Investments	600	1,520	1,650	130
Miscellaneous	6,515	1,735	23,016	21,281
<i>Total Receipts</i>	675,393	670,155	686,797	16,642
Disbursements				
Current:				
Security of Persons and Property	199,755	230,911	230,828	83
Community Environment	155,099	160,124	159,947	177
General Government	190,949	181,912	181,312	600
Capital Outlay	0	13,009	13,007	2
<i>Total Disbursements</i>	545,803	585,956	585,094	862
<i>Excess of Receipts Over (Under) Disbursements</i>	129,590	84,199	101,703	17,504
Other Financing Sources (Uses)				
Sale of Capital Assets	0	3,569	3,569	0
Transfers In	242,407	332,469	29,000	(303,469)
Transfers Out	(449,889)	(521,115)	(159,665)	361,450
Other Financing Uses	0	(59)	(59)	0
<i>Total Other Financing Sources (Uses)</i>	(207,482)	(185,136)	(127,155)	57,981
<i>Net Change in Fund Balance</i>	(77,892)	(100,937)	(25,452)	75,485
<i>Unencumbered Fund Balance Beginning of Year</i>	14,146	14,146	14,146	0
Prior Year Encumbrances Appropriated	19,588	19,588	19,588	0
<i>Unencumbered Fund Balance End of Year</i>	(\$44,158)	(\$67,203)	\$8,282	\$75,485

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
 Street Construction, Maint.and Repair
 For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Other Local Taxes	\$14,000	\$14,723	\$14,723	\$0
Intergovernmental	66,000	67,273	67,273	0
Fines, Licenses and Permits	50	25	0	(25)
Earnings on Investments	320	370	415	45
Miscellaneous	70	761	761	0
<i>Total Receipts</i>	<u>80,440</u>	<u>83,152</u>	<u>83,172</u>	<u>20</u>
Disbursements				
Current:				
Transportation	162,397	223,270	216,130	7,140
Capital Outlay	0	18,392	18,391	1
<i>Total Disbursements</i>	<u>162,397</u>	<u>241,662</u>	<u>234,521</u>	<u>7,141</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(81,957)</u>	<u>(158,510)</u>	<u>(151,349)</u>	<u>7,161</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	4,838	4,838	0
Transfers In	84,560	77,010	156,808	79,798
Transfers Out	(8,200)	(9,018)	(8,109)	909
<i>Total Other Financing Sources (Uses)</i>	<u>76,360</u>	<u>72,830</u>	<u>153,537</u>	<u>80,707</u>
<i>Net Change in Fund Balance</i>	(5,597)	(85,680)	2,188	87,868
<i>Unencumbered Fund Balance Beginning of Year</i>	8,053	8,053	8,053	0
Prior Year Encumbrances Appropriated	15,877	15,877	15,877	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$18,333</u>	<u>(\$61,750)</u>	<u>\$26,118</u>	<u>\$87,868</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
 EMS
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Charges for Services	478,500	473,125	306,062	(167,063)
Miscellaneous	1,500	1,500	0	(1,500)
<i>Total Receipts</i>	<u>480,000</u>	<u>474,625</u>	<u>306,062</u>	<u>(168,563)</u>
Disbursements				
Current:				
Security of Persons and Property	430,112	417,262	278,563	138,699
Capital Outlay	12,911	20,661	20,172	489
<i>Total Disbursements</i>	<u>443,023</u>	<u>437,923</u>	<u>298,735</u>	<u>139,188</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>36,977</u>	<u>36,702</u>	<u>7,327</u>	<u>(29,375)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	5,375	5,375	0
Transfers Out	(48,449)	(53,549)	(53,421)	128
<i>Total Other Financing Sources (Uses)</i>	<u>(48,449)</u>	<u>(48,174)</u>	<u>(48,046)</u>	<u>128</u>
<i>Net Change in Fund Balance</i>	(11,472)	(11,472)	(40,719)	(29,247)
<i>Unencumbered Fund Balance Beginning of Year</i>	200,181	200,181	200,181	0
Prior Year Encumbrances Appropriated	14,335	14,335	14,335	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$203,044</u>	<u>\$203,044</u>	<u>\$173,797</u>	<u>(\$29,247)</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2016

	Business-Type Activities					Total Enterprise Funds
	Water Works	Sewage System	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Assets						
Equity in Pooled Cash and Cash Equivalents	\$286,084	\$212,908	\$127,458	\$129,967	\$471,060	\$1,227,477
<i>Total Assets</i>	<u>\$286,084</u>	<u>\$212,908</u>	<u>\$127,458</u>	<u>\$129,967</u>	<u>\$471,060</u>	<u>\$1,227,477</u>
Net Position						
Restricted for:						
Debt Service	\$0	\$0	\$0	\$0	\$87,782	\$87,782
Other Purposes	0	0	0	0	94,249	94,249
Unrestricted	286,084	212,908	127,458	129,967	289,029	1,045,446
<i>Total Net Position</i>	<u>\$286,084</u>	<u>\$212,908</u>	<u>\$127,458</u>	<u>\$129,967</u>	<u>\$471,060</u>	<u>\$1,227,477</u>

See accompanying notes to the basic financial statements

Village of Crooksville
Perry County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities					Total Enterprise Funds
	Water Works	Sewage System	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Operating Receipts						
Charges for Services	\$1,299,281	\$638,526	\$0	\$0	\$16,700	\$1,954,507
<i>Total Operating Receipts</i>	<u>1,299,281</u>	<u>638,526</u>	<u>0</u>	<u>0</u>	<u>16,700</u>	<u>1,954,507</u>
Operating Disbursements						
Personal Services	110,804	110,800	0	0	0	221,604
Employee Fringe Benefits	56,678	55,799	0	0	0	112,477
Contractual Services	680,382	188,265	0	15,388	82,278	966,313
Supplies and Materials	53,785	31,384	0	13,421	0	98,590
Other	39	0	0	0	16,170	16,209
<i>Total Operating Disbursements</i>	<u>901,688</u>	<u>386,248</u>	<u>0</u>	<u>28,809</u>	<u>98,448</u>	<u>1,415,193</u>
<i>Operating Income (Loss)</i>	<u>397,593</u>	<u>252,278</u>	<u>0</u>	<u>(28,809)</u>	<u>(81,748)</u>	<u>539,314</u>
Non-Operating Receipts (Disbursements)						
OWDA Loan Proceeds	0	0	0	0	46,557	46,557
Sale of Capital Assets	887	0	0	0	0	887
Miscellaneous Receipts	1,387	819	0	0	181	2,387
Capital Outlay	(51,912)	(51,912)	0	(6,500)	(6,500)	(116,824)
Principal Retirement	0	0	0	0	(97,768)	(97,768)
Interest and Other Fiscal Charges	0	0	0	0	(40,114)	(40,114)
Other Financing Sources	0	0	0	0	29,836	29,836
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(49,638)</u>	<u>(51,093)</u>	<u>0</u>	<u>(6,500)</u>	<u>(67,808)</u>	<u>(175,039)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	347,955	201,185	0	(35,309)	(149,556)	364,275
Transfers In	50	50	59,423	30,000	265,891	355,414
Transfers Out	(284,651)	(161,217)	0	0	0	(445,868)
<i>Change in Net Position</i>	63,354	40,018	59,423	(5,309)	116,335	273,821
<i>Net Position Beginning of Year</i>	<u>222,730</u>	<u>172,890</u>	<u>68,035</u>	<u>135,276</u>	<u>354,725</u>	<u>953,656</u>
<i>Net Position End of Year</i>	<u>\$286,084</u>	<u>\$212,908</u>	<u>\$127,458</u>	<u>\$129,967</u>	<u>\$471,060</u>	<u>\$1,227,477</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Statement of Cash Flows - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2016

	Business-Type Activities					Total Enterprise Funds
	Water Works	Sewage System	Water Works Reserve	Sewage Replacement	Other Enterprise Funds	
Increase (Decrease) in Cash and Cash Equivalents						
Cash Flows from Operating Activities						
Cash Received from Customers	\$1,299,281	\$638,526	\$0	\$0	\$16,700	\$1,954,507
Cash Payments to Employees for Services	(110,804)	(110,800)	0	0	0	(221,604)
Cash Payments for Employee Benefits	(56,678)	(55,799)	0	0	0	(112,477)
Cash Payments for Goods and Services	(734,167)	(219,649)	0	(28,809)	(82,278)	(1,064,903)
Other Cash Payments	(39)	0	0	0	(16,170)	(16,209)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>397,593</u>	<u>252,278</u>	<u>0</u>	<u>(28,809)</u>	<u>(81,748)</u>	<u>539,314</u>
Cash Flows from Noncapital Financing Activities						
Other Cash Receipts	1,387	819	0	0	30,017	32,223
Transfers In	50	50	59,423	30,000	265,891	355,414
Transfers Out	(284,651)	(161,217)	0	0	0	(445,868)
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>(283,214)</u>	<u>(160,348)</u>	<u>59,423</u>	<u>30,000</u>	<u>295,908</u>	<u>(58,231)</u>
Cash Flows from Capital and Related Financing Activities						
OWDA Loan Proceeds	0	0	0	0	46,557	46,557
Principal Paid on Debt	0	0	0	0	(97,768)	(97,768)
Interest Paid on Debt	0	0	0	0	(40,114)	(40,114)
Sale of Capital Assets	887	0	0	0	0	887
Payments for Capital Acquisitions	(51,912)	(51,912)	0	(6,500)	(6,500)	(116,824)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(51,025)</u>	<u>(51,912)</u>	<u>0</u>	<u>(6,500)</u>	<u>(97,825)</u>	<u>(207,262)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>63,354</u>	<u>40,018</u>	<u>59,423</u>	<u>(5,309)</u>	<u>116,335</u>	<u>273,821</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>222,730</u>	<u>172,890</u>	<u>68,035</u>	<u>135,276</u>	<u>354,725</u>	<u>953,656</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$286,084</u>	<u>\$212,908</u>	<u>\$127,458</u>	<u>\$129,967</u>	<u>\$471,060</u>	<u>\$1,227,477</u>

See accompanying notes to the basic financial statements.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1- Reporting Entity

The Village of Crooksville, Perry 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.

Note 2- Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a 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. The more significant of the Village's accounting policies are described below.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government- Wide Financial Statements

The statement of net position 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 in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash balance, of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-like activity is self-financing on a cash basis or draws from the general receipts of the Village.

2. Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. Non major funds are aggregated and presented in a single column.

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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 fund statements report all other receipts and disbursements as non-operating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted to use. The funds of the Village are presented in two categories: governmental and proprietary.

1. Governmental Funds

Governmental Funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

EMS Fund receives monies from charges for services related to emergency medical services to offset the costs of equipment for emergency medical protection.

Street Construction Maintenance and Repair Fund receives monies from the County and State Auditor for motor vehicle and gas taxes to help with maintaining and repairing streets within the Village.

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

2. Proprietary Funds

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

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 following are the Village's major enterprise funds:

Water Fund – The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Water Works Reserve Fund - The Water Works Reserve Fund receives monthly transfers from the Water Works fund.

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Sewage Replacement Fund – The sewage replacement fund accounts for the transfers made monthly to it by the Sewage System Fund to help set back funds to pay for repairs such as to the sanitary pump stations.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency fund accounts for Mayor's Court activities. At December 31, 2016 Mayor's Court had a zero balance; therefore, no financial statement is presented.

C. 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 a 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is Village Council's authorization to spend resources and set annual limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established by Village Council at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as 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 certificate of estimated resources in effect at the time final appropriations were passed by Village Council.

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The appropriations ordinance is subject to amendment throughout the year with the restrictions 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 Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

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 investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2016, the Village had its monies in checking accounts and STAR Ohio. The Village’s deposits are insured by the Federal Depository Insurance Corporation or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

STAR Ohio (The State Treasury Asset Reserve of Ohio), is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants”. The Village measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2016 was \$1,650.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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G. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

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

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

K. Employer Contributions to Cost- Sharing 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.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street and state highway maintenance and repairs, police and fire protection, activities of the Village's Court, and the Village's parks and pool.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes which both restricted and unrestricted resources are available.

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N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as Interfund transfers.

Interfund transfers are reported as other financing sources/ uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of Interfund loans.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purpose imposed by formal action (ordinance or resolution, as both are legally binding) of Village Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previous commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Village Council or a Village official delegated that authority by resolution, or by State Statute. State Statute authorizes the Village Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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, EMS, and Street Construction, Maintenance and Repair funds are prepared on the budgetary basis to provide a meaningful comparison of actual results of the Budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balances (cash basis). The encumbrances outstanding at year end 2016 (budgetary basis) amounted to \$3,667 for the General Fund, \$3,234 for the EMS fund, and \$8,063 for the Street Construction, Maintenance and Repair fund.

Note 4 – Deposits and Investments

State Statutes classify monies held by the Village into three categories.

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

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

1. United States Treasury bills, bond 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;
2. Bonds, notes, debentures, or any other obligation or security issues 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 and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio or Ohio local governments;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2016, the Village had the following investments:

	Measurement Value	Maturity
STAR Ohio	\$270,539	Less than 1 year

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Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village has no investment policy dealing with investment credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 – Income Taxes

The Village levies a 1.5 percent income tax whose proceeds are placed into the Income Tax Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or 100 percent of the 1.5 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 and public utility property located in the Village. Real property tax receipts received in 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property are levied after October 1, 2017, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State Statute permits later payment dates to be established.

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Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015 are levied after October 1, 2016 and are collected in 2017 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2016 was \$60.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

- Real Property \$19,160,290
- Public Utility Personal Property \$ 4,818,060
- Total \$23,978,350

Note 7 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2016, the Village contracted with Trident/ Argonaut Insurance Companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Property	\$12,995,009	\$1,000.00
Misc. Scheduled Equipment	\$868,490	\$1,000.00
Misc. Unscheduled Equipment	\$25,000	\$1,000.00
Fire Legal Liability	\$100,000	None
Automobile Liability	\$1,000,000	None
General Liability	\$1,000,000/\$3,000,000	None
Public Officials Liability	\$1,000,000/\$3,000,000	\$2,500.00
Law Enforcement Liability	\$1,000,000/\$3,000,000	\$2,500.00
Employment Practice Liability	\$1,000,000/\$3,000,000	\$2,500.00
Employee Benefits Liability	\$1,000,000/\$3,000,000	\$1,000.00
Excess Liability	\$1,000,000/\$1,000,000	None
Computer Property Coverage	\$100,000	\$250.00
Forgery & Alliteration	\$25,000	\$250.00
Public Employee Dishonesty	\$100,000	\$1,000.00
Money and Securities Coverage	\$15,000	\$250.00
Computer Fraud	\$100,000	\$1,000.00

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

Worker's Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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Note 8 – Defined Benefits Pension Plans

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Village employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The Traditional pension plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan and the Combined plan is a cost sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <http://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- **** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village’s contractually required contribution was \$92,055 for year 2016.

Plan Description - Ohio Police and Fire Pension Fund (OPF)

Plan Description - Village full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

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For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OPF CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits):

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percent increase in the consumer price index (CPI), if any, over the 12-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Funding Policy- The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OPF was \$14,706 for 2016.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 9 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. OPERS maintains a cost-sharing, multiple employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614)-222-5601 or 800-222-7377.

Funding Policy- The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016 state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care of members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2016, and was 2.0 percent during calendar year 2017. The OPERS board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.5 percent.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2016, 2015, and 2014 were \$1,841, 1,663, and \$10,450 respectively, 100% has been contributed for 2016, 2015, and 2014.

B. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care 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 visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire Employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OPF for the year ended December 31, 2016, 2015, and 2014 were \$14,706 \$17,901 and \$13,823, respectively, of which \$74, \$90, and \$69, respectively, was allocated to the healthcare plan.

Note 10 – Debt

A summary of debt for the years ended December 31, 2016 was as follows:

Loan	Principal	Interest Rate
OWDA #3957	\$23,170	2.00%
OWDA #4686	\$3,616	4.12%
OWDA #4913	\$292,722	1.50%
OWDA #5069	\$116,266	0%
OWDA #5054	\$520,096	1.00%
OWDA #6713	\$328,509	4.45%
OPWC #CT49A	\$3,313	0%
OPWC #CR21J	\$11,809	0%
OPWC#CR22R	\$48,651	0%
Mortgage Revenue Bonds	\$558,000	5.00%
Recreation Center Bonds	\$52,000	4.75%
Capital Facilities Bond	\$617,800	4.20%
Total	<u>\$2,575,952</u>	

Loans	Balance 1/1/2016	Additions	Principal Reduction	Balance 12/31/2016	Due in One Year
OWDA	\$1,287,789	\$59,659	(\$63,069)	\$1,284,379	\$22,867
OPWC	\$76,581	\$0	(\$12,808)	\$63,773	\$6,404
Bonds	<u>\$1,312,300</u>	<u>\$0</u>	<u>(\$84,500)</u>	<u>\$1,227,800</u>	<u>\$89,300</u>
Total	<u>\$2,676,670</u>	<u>\$59,659</u>	<u>(\$160,377)</u>	<u>\$2,575,952</u>	<u>\$118,571</u>

The Ohio Water Development Authority (OWDA) Loan 3957 on September 25, 2003 has approved a \$54,870 loan related to the Sayre Reservoir Repair Project. The amount was disbursed in 2004. The loan will be repaid in semiannual installments of \$1,671 including interest, over 20 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4686 relates to sewer system improvements. The amount was disbursed in 2007. The loan will be repaid in semiannual installments of \$3,691 including interest, over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. This was paid off in 2017.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

The Ohio Water Development Authority (OWDA) Loan 4913 relates to waterlines, booster stations and elevated storage. The amount of the loan is \$370,000. The loan will be repaid in semiannual payments of \$7,688 including interest over 30 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) Loan CT49A had an original issue amount of \$26,505 and relates to a raw water line replacement project. The loan is being repaid in semiannual installments of \$663 including interest, over 20 years, from user fees.

The Ohio Public Works Commission (OPWC) Loan CR22R had an original issue amount of \$64,868 and relates to Village street paving. The loan is being repaid in semiannual installments of \$4,054 over 8 years.

Mortgage Revenue Bonds were issued in the amount of \$1,010,000 to finance the construction of a sanitary sewer collection and disposal system. The bonds are being repaid in annual installments over 40 years from user fees. The loan numbers are 92-03 and 92-05.

Recreation Center Bonds were issued in the amount of \$184,000 to finance the renovation of a community center. The bonds are being repaid in annual installments over 20 years.

Capital Facilities Bonds were issued in the amount of \$946,900 to finance the building of the Village Administration Building. The bonds are being repaid in annual installments over 20 years.

The Ohio Public Works Commission (OPWC) Loan CR21J had an original amount of \$33,740 and relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments for \$1,687.

The Ohio Water Development Authority Loan (5054) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$12,445 including interest.

The Ohio Water Development Authority Loan (5069) relates to the Burr Oak and Crooksville Interconnect Project. The loan is being repaid in semiannual payments over 30 years in payments of \$2,473.

The Ohio Water Development Authority Loan (6713) relates to a Waterline Replacement Design Project. This loan is still in the active phase. Approved financing for this project is \$381,987. First payment is scheduled for July 1, 2015 and a final balloon payment is scheduled for January 1, 2020. This was paid off in 2017.

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Principal and interest requirements to retire debt outstanding at December 31, 2017 were as follows:

Year	OWDA Principal	OWDA Interest	OPWC	Bonds Principal	Bonds Interest
2017	\$22,867	\$5,100	\$6,404	\$89,300	\$56,318
2018	38,815	9,740	12,808	93,200	52,245
2019	39,240	9,315	12,808	97,200	47,995
2020	39,671	8,885	11,482	101,300	43,561
2021	40,107	8,448	8,108	91,500	38,942
2022-26	200,504	35,589	12,163	524,900	128,529
2027-31	200,919	25,147	0	230,400	19,373
2032-36	211,661	14,406	0	0	0
2037-40	<u>162,086</u>	<u>3,391</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$955,870</u>	<u>\$120,021</u>	<u>\$63,773</u>	<u>\$1,227,800</u>	<u>\$386,963</u>

Note 11 – Leases

The Village leases vehicles and other equipment under noncancelable leases. The Village disbursed \$92,606 to pay lease costs for the year ended December 31, 2016.

The Village had a capital lease that relates to a fire truck in 2013. The original lease amount was \$290,398 and the annual lease payment is \$35,888. Final lease payment is due in 2022.

The Village had a capital lease that relates to a Street plow truck in 2013. The original lease amount was \$37,365 and the annual lease payment is \$9,341. Final lease payment was paid in 2016.

The Village has a capital lease that relates to an EMS ambulance in 2014. The original lease amount was \$71,930 and the annual lease payment is \$14,386. Final lease payment was paid off early in 2016.

The Village had a capital lease that relates to a Police Cruiser in 2016. The original lease amount was \$28,885 and the annual lease payment is \$6,521. Final lease payment is due in 2020.

Future lease payments are as follows:

Year	Fire Truck	Police Cruiser
2017	\$35,888	\$6,521
2018	35,888	6,521
2019	35,888	6,521
2020	35,888	6,521
2021-2022	<u>71,776</u>	<u>0</u>
Total	<u>\$215,328</u>	<u>\$26,084</u>

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 12 – Interfund Transfers

During 2016 the Village made the following transfers:

Fund	Transfers In	Transfers Out
Governmental		
General	\$29,000	\$159,665
SCMR	\$156,808	\$8,109
EMS	-	\$53,421
Other Governmental	\$171,076	\$45,235
Business Type		
Water	\$50	\$284,651
Sewer	\$50	\$161,217
Water Works Reserve	\$59,423	-
Sewage Replacement	\$30,000	-
Other Enterprise	<u>\$265,891</u>	=
Total	<u>\$712,298</u>	<u>\$712,298</u>

The Village made the above transfers in accordance with the Ohio Revised Code.

The general fund transfers to the other governmental funds were made to provide additional resources for current operations. The Income Tax fund transfers to the General for current operations. These transfers are eliminated on the financial statements. The Income Tax fund also transfers to the Municipal Debt fund for Debt service requirements. The Income Tax fund also transfers to the Street and Pool and Park Funds.

Water and Sewer operations transfer funds to various funds to provide resources for debt service. Various special funds transferred money to the debt service fund to pay related debt.

Note 13 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and other governmental funds are presented below:

Village of Crooksville
Perry County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Fund Balances at December 31, 2016:

Fund Balances	General Fund	Street Construction, Maintenance and Repair	EMS	Other Governmental Funds	Total
Restricted For:					
State Highway	-	-	-	\$64,989	\$64,989
Street Fund	-	\$34,181	-	\$0	\$34,181
Pool & Park	-	-	-	\$69,211	\$69,211
Drug Enforce.	-	-	-	\$3,109	\$3,109
Permissive Tax	-	-	-	\$33,362	\$33,362
Tree Commission	-	-	-	\$316	\$316
Mayors Court Comp.	-	-	-	\$6,965	\$6,965
Indigent Driver Interlock	-	-	-	\$1,050	\$1,050
Fire Levy	-	-	-	\$77,392	\$77,392
Police Equipment	-	-	-	\$15,691	\$15,691
Municipal Debt Service	-	-	-	\$9,309	\$9,309
Fire Levy Debt	-	-	-	\$56,753	\$56,753
Rec Center Debt	-	-	-	\$20,320	\$20,320
Village Cap Projects	-	-	-	\$3,648	\$3,648
EMS	-	-	<u>\$177,031</u>	-	<u>\$177,031</u>
Total Restricted	-	<u>\$34,181</u>	<u>\$177,031</u>	<u>\$362,115</u>	<u>\$573,327</u>
Committed For:					
Total Committed	-	-	-	-	-
Assigned For:					
Encumbrances	\$3,667	-	-	-	\$3,667
Total Assigned	<u>\$3,667</u>	-	-	-	<u>\$3,667</u>
Unassigned	<u>\$8,282</u>	-	-	-	<u>\$8,282</u>
Total	<u>\$11,949</u>	<u>\$34,181</u>	<u>\$177,031</u>	<u>\$362,115</u>	<u>\$585,276</u>

Note 14 – Contingent Liabilities

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

OHIO AUDITOR OF STATE KEITH FABER



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

Village of Crooksville
Perry County
98 South Buckeye Street
Crooksville, Ohio 43731

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Crooksville, Perry County, Ohio (the Village), as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated January 22, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

53 Johnson Road, The Plains, Ohio 45780-1231
Phone: 740-594-3300 or 800-441-1389
www.ohioauditor.gov

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts.

However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 22, 2019

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

Material Weakness

In our audit engagement letter, as required by AU-C § 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 and .A16.

Furthermore, Governmental Accounting Standards Board (GASB) Statement No. 54 defines how fund balances are to be classified and is codified as follows: GASB Cod. 1800.168-169 requires reporting funds whose revenue has external legal constraints as Restricted. GASB Cod. 1800.170-172 requires reporting funds whose revenue had constraints imposed by the Board, which could not be changed without Board approval, as Committed. GASB Cod. 1800.173-176 requires funds without external or internal constraints to report Assigned fund balances for amounts encumbered or set aside to cover the excess of subsequent year appropriations exceeding estimated revenue. GASB Cod. 1800.177 designates Unassigned fund balance as the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, Auditor of State Bulletin 2011-004 requires local governments that prepare cash basis financial statements to implement these fund balance classifications and governmental fund type definitions.

During 2017 and 2016, the Village failed to properly implement GASB Statement No. 54 requirements. This resulted in reclassifications being made to report the Village's fund balances in accordance with the aforementioned requirements. In addition, various other adjustments were made to the Village's financial statements for 2017 and 2016.

For the fiscal year ending December 31, 2017, the following misstatements were noted:

- Encumbrances of \$5,282 in the General Fund were classified as Committed rather than Assigned fund balance.
- A portion of the Street Construction, Maintenance and Repair Fund, in the amount of \$2,245, was classified as Committed rather than Restricted fund balance.
- The EMS fund balance of \$185,044 was classified as Committed rather than Restricted fund balance.
- A portion of the Other Governmental Funds, consisting of \$382 in the Park and Pool Fund, \$89,994 in the Fire Fund, and \$316 in the Tree Commission Fund, was classified as Committed rather than Restricted fund balance.
- Receipts from State of Ohio and Army Corp of Engineers were recorded as Miscellaneous rather than Intergovernmental, in the amounts of \$40,766 and \$168,419, in the Water Works Capital Improvement Fund.
- OWDA loan proceeds of \$360,364 and \$345,176 were recorded as Miscellaneous receipts rather than loan proceeds in the Water Works Capital Improvement and Waterline Replacement Design Funds, respectively.
- The Village did not record OWDA loan forgiveness payments as Intergovernmental Receipts and Principal payments, in the amount of \$335,383, within the Water Works Capital Improvement Fund.
- Net position, totaling \$1,386,696, of the various Village Enterprise Funds was reflected as Restricted for Other Purposes rather than Unrestricted.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2017-001 (Continued)

Material Weakness (Continued)

For the fiscal year ending December 31, 2016, the following misstatements were noted:

- Encumbrances of \$3,667 in the General Fund were classified as Committed rather than Assigned fund balance.
- A portion of the Street Construction, Maintenance and Repair Fund, in the amount of \$8,063, was classified as Committed rather than Restricted fund balance.
- The EMS fund balance of \$177,031 was classified as Committed rather than Restricted fund balance.
- A portion of the Other Governmental Funds consisting of \$110 in the Park and Pool fund, \$77,392 in the Fire Fund, and \$316 in the Tree Commission Fund was classified as Committed rather than Restricted fund balance.
- OWDA loan proceeds of \$46,557 were recorded as Miscellaneous receipts rather than loan proceeds in the Water Works Capital Improvement Fund.
- The Water Works Reserve Fund was included as an Other Enterprise Fund rather than being reported as a major fund on the financial statements.
- Net position, totaling \$1,045,446, of the various Village Enterprise Funds was reflected as Restricted for Other Purposes rather than Unrestricted.

Audit adjustments, with which management has agreed, are reflected in the accompanying financial statements. In addition to the adjustments listed above, we also identified additional unadjusted differences ranging from \$316 to \$20,922 that we have brought to the Village's attention.

Incorrect financial statement account classifications and balances could result in inaccurate reporting of the Village's financial information.

The Fiscal Officer should refer to the Village Officer's Handbook for proper classification and take additional care in posting transactions to the Village's ledgers and annual financial report in order to ensure the Village's year-end financial statements reflect the appropriate sources and uses of the Village's receipts and disbursements.

FINDING NUMBER 2017-002

Material Weakness

In our audit engagement letter, as required by AU-C § 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 and .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow Council to make informed decisions regarding budgetary matters.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016
(Continued)**

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

FINDING NUMBER 2017-002 (Continued)

Material Weakness (Continued)

The appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Amended Certificate of Estimated Resources was not posted correctly to the accounting system.

At December 31, 2016, estimated resources approved by the Budget Commission did not agree to the Village's ledgers for the following funds:

<u>Fund</u>	<u>Estimated Receipts Per the Last Amended Certificate</u>	<u>Budgeted Receipts Per the UAN Accounting System</u>	<u>Variance</u>
General	\$456,193	\$531,893	\$75,700
Street Construction, Maintenance & Repair	165,000	245,500	80,500
EMS	480,000	365,000	(115,000)
Water Works	1,010,000	1,301,386	291,386
Sewage System	505,000	639,381	134,381
Water Works Reserve	12,000	59,500	47,500
Sewage Replacement	25,000	30,000	5,000

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this resulted in the Final Estimated Receipts reported on the Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual – Budget Basis for the General, Street Construction, Maintenance and Repair and EMS Funds being misstated by the above variances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: We did not receive a response from Officials to the above findings.

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OHIO AUDITOR OF STATE
KEITH FABER



VILLAGE OF CROOKSVILLE

PERRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 5, 2019**