

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Village of Cridersville, Auglaize County, prepared by E. S. Evans and Company, for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 11, 2007

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

July 31, 2007

INDEPENDENT AUDITOR'S REPORT

Village of Cridersville
Auglaize County, Ohio

We have audited the accompanying financial statements of the Village of Cridersville, Auglaize County, (the Village) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

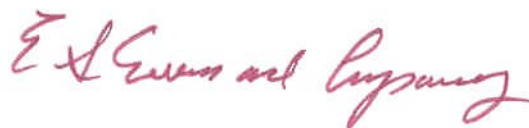
Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present its larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2006 and 2005, or their changes in financial position or cash flows of its proprietary funds for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2007, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with Government Auditing Standards. You should read it in conjunction with this report in assessing the results of our audit.

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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

For the Year Ended December 31, 2006

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 135,189	\$ 40,053	\$ -
Municipal Income Tax	261,503	3,528	-
Intergovernmental Revenues	222,543	88,844	-
Charges for Services	-	64,546	-
Fines, Licenses, and Permits	16,787	2,909	-
Interest Revenues	38,952	6	-
Miscellaneous	25,522	-	-
Total Cash Receipts	700,496	199,886	-
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	330,676	63,501	-
Public Health Services	-	-	-
Leisure Time Activities	4,709	-	-
Community Environment	42,233	-	-
Basic Utility Services	2,682	-	-
Transportation	-	105,952	-
General Government	137,218	914	-
Capital Outlay	12,427	49,978	-
Debt Service:			
Redemption of Principal	-	-	25,648
Interest and Other Fiscal Charges	-	-	1,354
Total Cash Disbursements	529,945	220,345	27,002
Total Cash Receipts Over/(Under)			
Cash Disbursements	170,551	(20,459)	(27,002)
<u>Other Financing Sources/(Uses):</u>			
Proceeds from Loans/Sale of Notes	-	-	-
Transfers-In	3,000	50,000	27,002
Transfers-Out	(77,002)	-	-
Total Other Financing Sources/(Uses)	(74,002)	50,000	27,002
<u>Excess of Cash Receipts and Other Financing Sources Over/(Under)</u>			
Cash Disbursements	96,549	29,541	-
<u>Fund Cash Balance - January 1, 2006</u>	193,650	286,843	2,600
<u>Fund Cash Balance - December 31, 2006</u>	\$ 290,199	\$ 316,384	\$ 2,600

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

<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$ -	\$ -	\$ 175,242
-	-	265,031
-	-	311,387
-	-	64,546
-	-	19,696
-	-	38,958
-	-	25,522
-	-	900,382
-	-	394,177
-	-	-
-	-	4,709
-	-	42,233
-	-	2,682
-	-	105,952
-	-	138,132
42,263	-	104,668
-	-	25,648
-	-	1,354
42,263	-	819,555
(42,263)	-	80,827
37,901	-	37,901
-	-	80,002
-	-	(77,002)
37,901	-	40,901
(4,362)	-	121,728
21,677	828	505,598
\$ 17,315	\$ 828	\$ 627,326

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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

For the Year Ended December 31, 2006

<u>Operating Cash Receipts:</u>	
Charges for Services	\$ <u>566,861</u>
<u>Operating Cash Disbursements:</u>	
Personal Services	141,831
Travel Transportation	110
Contractual Services	96,726
Material and Supplies	76,486
Capital Outlay	<u>31,149</u>
Total Operating Cash Disbursements	<u>346,302</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	<u>220,559</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>	
Intergovernmental Receipts	892
Proceeds from Loans/Sale of Notes	-
Debt Service -	
Principal	(76,862)
Interest	<u>(43,718)</u>
Total Non-Operating Cash Receipts/(Disbursements)	<u>(119,688)</u>
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>100,871</u>
Operating Transfers-In	-
Operating Transfers-Out	<u>(3,000)</u>
Total Transfers and Advances	<u>(3,000)</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	97,871
<u>Fund Cash Balance</u> - January 1, 2006	<u>284,277</u>
<u>Fund Cash Balance</u> - December 31, 2006	<u>\$ 382,148</u>

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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

For the Year Ended December 31, 2005

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Cash Receipts:</u>			
Property Tax and Other Local Taxes	\$ 112,683	\$ 60,473	\$ -
Municipal Income Tax	243,754	3,239	-
Intergovernmental Revenues	177,723	111,675	-
Charges for Services	-	53,911	-
Fines, Licenses, and Permits	18,195	3,374	-
Interest Revenues	15,223	-	-
Miscellaneous	14,161	314	-
Total Cash Receipts	581,739	232,986	-
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	294,310	84,700	-
Public Health Services	86	-	-
Leisure Time Activities	4,566	-	-
Community Environment	55,553	-	-
Basic Utility Services	475	-	-
Transportation	-	105,261	-
General Government	120,057	-	-
Capital Outlay	3,215	47,302	-
Debt Service:			
Redemption of Principal	-	-	35,704
Interest and Other Fiscal Charges	-	-	1,670
Total Cash Disbursements	478,262	237,263	37,374
Total Cash Receipts Over/(Under)			
Cash Disbursements	103,477	(4,277)	(37,374)
<u>Other Financing Sources/(Uses):</u>			
Proceeds from Loans/Sale of Notes	-	-	-
Transfers-In	3,000	65,000	39,974
Transfers-Out	(99,789)	-	-
Total Other Financing Sources/(Uses)	(96,789)	65,000	39,974
Excess of Cash Receipts and Other Financing Sources Over/(Under)			
Cash Disbursements	6,688	60,723	2,600
<u>Fund Cash Balance - January 1, 2005</u>	186,962	226,120	-
<u>Fund Cash Balance - December 31, 2005</u>	\$ 193,650	\$ 286,843	\$ 2,600

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

<u>Governmental Fund Type</u> Capital Projects	<u>Fiduciary Fund Type</u> Expendable Trust	<u>Totals</u> (Memorandum Only)
\$ -	\$ -	\$ 173,156
-	-	246,993
87,277	-	376,675
-	-	53,911
-	-	21,569
-	-	15,223
-	-	14,475
87,277	-	902,002
-	-	379,010
-	-	86
-	-	4,566
-	-	55,553
-	-	475
-	-	105,261
-	-	120,057
335,662	-	386,179
-	-	35,704
-	-	1,670
335,662	-	1,088,561
(248,385)	-	(186,559)
251,004	-	251,004
13,332	-	121,306
-	-	(99,789)
264,336	-	272,521
15,951	-	85,962
5,726	828	419,636
\$ 21,677	\$ 828	\$ 505,598

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VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

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

For the Year Ended December 31, 2005

<u>Operating Cash Receipts:</u>	
Charges for Services	\$ <u>571,805</u>
<u>Operating Cash Disbursements:</u>	
Personal Services	165,814
Travel Transportation	475
Contractual Services	115,861
Material and Supplies	68,773
Capital Outlay	<u>18,827</u>
Total Operating Cash Disbursements	<u>369,750</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	<u>202,055</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>	
Intergovernmental Receipts	10,142
Miscellaneous Receipts - Note 6	34,496
Proceeds from Loans/Sale of Notes	84,688
Debt Service -	
Principal	(143,758)
Interest	<u>(45,679)</u>
Total Non-Operating Cash Receipts/(Disbursements)	<u>(60,111)</u>
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>141,944</u>
Operating Transfers-In	-
Operating Transfers-Out	<u>(21,517)</u>
Total Transfers and Advances	<u>(21,517)</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	120,427
<u>Fund Cash Balance</u> - January 1, 2005	<u>163,850</u>
<u>Fund Cash Balance</u> - December 31, 2005	<u>\$ <u>284,277</u></u>

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

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

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

Basis of Accounting

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

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

Cash and Investments

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

Fund Accounting

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

General Fund

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

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

Fund Accounting - (continued)

Special Revenue Funds

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

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

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

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

Capital Project Funds

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

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

Debt Service Funds

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

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

Enterprise Funds

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

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

Fund Accounting - (continued)

Enterprise Funds – (continued)

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

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

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

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

Expendable Trust Fund

The Expendable Trust fund is used to account for resources restricted by legally binding trust agreements.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted.

Estimated Resources

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

Appropriations

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

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

Budgetary Process – (continued)

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

Property, Plant and Equipment

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

Accumulated Leave

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

Note 2 – Equity in Pooled Cash

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

	2006	2005
Demand Deposits	\$ <u>1,009,474</u>	\$ <u>789,875</u>

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 823,232	\$ 703,496	\$ (119,736)
Special Revenue	579,741	249,886	(329,855)
Debt Service	27,005	27,002	(3)
Capital Projects	61,677	37,901	(23,776)
Expendable Trust	928	-	(928)
Enterprise	1,025,657	567,753	(457,904)
	<u>\$ 2,518,240</u>	<u>\$ 1,586,038</u>	<u>\$ (932,202)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 667,085	\$ 606,947	\$ 60,138
Special Revenue	309,540	220,345	89,195
Debt Service	27,003	27,002	1
Capital Projects	44,100	42,263	1,837
Expendable Trust	100	-	100
Enterprise	826,824	469,882	356,942
	<u>\$ 1,874,652</u>	<u>\$ 1,366,439</u>	<u>\$ 508,213</u>

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 3 – Budgetary Activity – (continued)

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 652,007	\$ 584,739	\$ (67,268)
Special Revenue	501,871	297,986	(203,885)
Debt Service	35,518	39,974	4,456
Capital Projects	431,164	351,613	(79,551)
Expendable Trust	928	-	(928)
Enterprise	860,436	701,131	(159,305)
	\$ 2,481,924	\$ 1,975,443	\$ (506,481)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 589,883	\$ 578,051	\$ 11,832
Special Revenue	284,085	237,263	46,822
Debt Service	35,517	37,374	(1,857)
Capital Projects	425,438	335,662	89,776
Expendable Trust	100	-	100
Enterprise	843,707	580,704	263,003
	\$ 2,178,730	\$ 1,769,054	\$ 409,676

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Debt Service Fund – OPWC Water Treatment Plant Improvement Loan Fund by \$4,872 at December 31, 2005.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 4 - Property Tax

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

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

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

Note 5 – Local Income Tax

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

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 6 - Debt Obligations

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission - CM506	\$ 1,388	0.00%
Ohio Public Works Commission - CM31E	28,061	0.00%
Ohio Public Works Commission - CM29A	30,386	0.00%
Ohio Public Works Commission - CM21D	61,425	0.00%
Ohio Public Works Commission - CM15H	186,700	0.00%
Ohio Water Development Authority Note	569,645	6.41%
Ohio Water Development Authority Planning Loan	14,350	0.00%
East Main Street Resurfacing Loan	8,806	4.74%
Sanitary Sewer Rehabilitation Loan	<u>158,188</u>	3.93%
Total	<u>\$ 1,058,949</u>	

The Village has five non-interest bearing loans at December 31, 2006 that were obtained through the Ohio Public Works Commission. Proceeds from these loans were used for street resurfacing, street reconstruction, and water treatment improvements. Each loan has a repayment period of 20 years with semi-annual payment due of \$876 on loan CM506, \$935 on loan CM31E, \$1,381 on loan CM29A, \$2,275 on loan CM21D, and \$5,186 on loan CM15H.

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

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

The East Main Street Resurfacing Loan and the Sanitary Sewer Rehabilitation Loan were two separate loans obtained from a local bank to finance the respective projects. The loans carry interest rates of 4.74% and 3.93% respectively. The East Main Street Resurfacing Loan requires a semi-annual principal and interest payment in the amount of \$8,034 with the final payment due December 28, 2007. The Sanitary Sewer Rehabilitation Loan is a one-year term with any remaining principal being rolled into a new one year term loan.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 6 - Debt Obligations - (continued)

1st Mortgage Revenue Bonds were issued in 1965 at an interest rate of 6.65% under authority of Ordinance #1238. Monthly payments were made to a trustee for the redemption of these bonds. During 2005, no payments were made by the Village to the trustee. The trustee paid the final principal payment of \$21,000 and the final interest payment of \$473 and the remaining funds held by the Trustee in the amount of \$34,496 were returned to the Village.

The annual requirements to amortize all debt outstanding as of December 31, 2006, including interest payments of \$440,301 are scheduled as follows:

<u>Year Ending December 31,</u>	<u>OWDA Loans</u>	<u>OPWC Loans</u>	<u>Bank Loans</u>	<u>TOTAL</u>
2007	\$ 54,330	\$ 21,308	\$ 173,625	\$ 249,263
2008	54,330	21,308	-	75,638
2009	54,330	21,308	-	75,638
2010	54,330	21,308	-	75,638
2011	54,330	21,308	-	75,638
2012-2016	265,498	100,402	-	365,900
2017-2021	261,398	79,902	-	341,300
2022-2026	209,118	31,117	-	240,235
	<u>\$ 1,007,664</u>	<u>\$ 317,961</u>	<u>\$ 173,625</u>	<u>\$ 1,499,250</u>

Note 7 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

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

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9.0 and 8.5 percent, respectively, of their gross salary. The Village contributed an amount equal to 13.70 percent for 2006 and 13.55 percent for 2005 of participants' gross salaries. The Village has paid all required contributions through December 31, 2006.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 7 – Retirement Systems – (continued)

Police and Firemen's Disability and Pension Fund

The Village of Cridersville's uniformed police employees participate in the police and firemen's disability and pension fund. This is a multi-employer cost sharing public employees' retirement system created by the State of Ohio. The fund provides pension disability and health care to qualified police personnel and survivors and death benefits to qualified spouses, children and dependent parents.

Employees contribute 10.0 percent of gross salaries and the employer contributes 19.5 percent of gross salaries. The Village has paid all required contributions through December 31, 2006.

Note 8 - Risk Management

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

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

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

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

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 8 - Risk Management – (continued)

The Pool's audited financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and Member's Equity at December 31, 2005 and 2004 (the latest information available):

	2005		2004
Assets	\$ 8,219,430	\$	6,685,522
Liabilities	(2,748,639)		(2,227,808)
Member's Equity	\$ 5,470,791	\$	4,457,714

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

Note 9 – Lease Purchase Agreement

On March 11, 2005, the Village entered into a lease-purchase agreement for a period of 36 months in the amount of \$22,751 for a 2005 Ford Crown Victoria Police Sedan. As of December 31, 2006, \$7,584 was remaining to be paid on March 11, 2007.

On August 16, 2006, the Village entered into a lease-purchase agreement for a period of 36 months in the amount of \$40,914 for a 2007 Ford F450 with Dump Body. As of December 31, 2006, \$27,276 was remaining to be paid in equal installments of \$13,638 on August 16, 2007 and August 16, 2008.

The Village entered into a lease-purchase agreement with First Bankers Corporation for the purchase of a Pumper Firetruck on August 14, 2006. Total purchase price was \$274,973 with \$194,973 paid upon purchase. The balance of \$80,000 was financed through First Bankers Corporation under a lease/purchase agreement for a period of 5 years. Total owed under this lease is \$91,475 with \$18,295 being paid on May 1, 2007 and each year thereafter for the following 4 years.

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 9 – Lease Purchase Agreement – (continued)

The future annual requirements on the lease-purchase agreements as of December 31, 2006 are scheduled as follows:

<u>Year Ending December 31,</u>		<u>TOTAL</u>
2007	\$	39,517
2008		31,933
2009		18,295
2010		18,295
2011		18,295
	\$	<u>126,335</u>

Note 10 - Subsequent Events

The Village had the following material matters occur after December 31, 2006:

- On May 9, 2007 bids were opened for a sanitary sewer rehabilitation project and the low bid was awarded in the amount of \$137,460.
- On March 1, 2007, the Village received \$98,301 in inheritance tax.

Note 11 – Other Material Noncompliance

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

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

July 31, 2007

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

Village of Cridersville
Auglaize County, Ohio

We have audited the financial statements of the Village of Cridersville, Auglaize County, Ohio, (the Village as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 31, 2007, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Cridersville's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cridersville's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Cridersville's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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

We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2006-001.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above are material weaknesses.

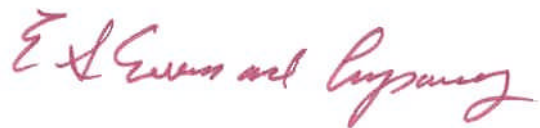
We also noted certain internal control matters that we reported to the Village of Cridersville's management in separate letter dated July 31, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Cridersville's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings as item 2006-001.

In a separate letter to the Village of Cridersville's management dated July 31, 2007, we reported other matters related to noncompliance.

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

A handwritten signature in red ink, appearing to read "E. L. Green and Company".

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2006 and 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2006-001 – Noncompliance Citation and Significant Deficiency

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

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

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

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

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

VILLAGE OF CRIDERSVILLE
AUGLAIZE COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2006 and 2005

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

Finding Number 2006-001 – Noncompliance Citation and Significant Deficiency – (continued)

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

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

To improve controls over disbursements, we recommend all Village disbursements receive prior certification of the Fiscal Officer.

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

VILLAGE OF CRIDERSVILLE
 AUGLAIZE COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
 December 31, 2006 and 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2004-001	Accounting Records	No	Substantially corrected - management letter comment in current audit
2004-002	Purchase Orders not always issued	No	Repeat as comment 2006-001
2004-003	Expenditures exceeding Appropriations	No	Only one violation - comment in management letter
2004-004	Transfer of Funds	Yes	No comment in current audit



Mary Taylor, CPA
Auditor of State

VILLAGE OF CRIDERSVILLE

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 25, 2007**