

VILLAGE OF CROOKSVILLE

PERRY COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012





Dave Yost • Auditor of State

Village Council
Village of Crooksville
98 Buckeye Street
Corrosville, Ohio 43731

We have reviewed the *Report of Independent Accountants* of the Village of Crooksville, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 4, 2014

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**VILLAGE OF CROOKSVILLE
PERRY COUNTY
AUDIT REPORT
For the Years Ended December 31, 2013 and 2012**

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying 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, 2013 and 2012, 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 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.

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, 2013 and 2012, and the respective changes in cash financial position and the respective budgetary comparison for the General, State Highway, EMS and Fire Levy Contract 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, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

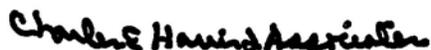
We audited to opine on the Village's financial statements that collectively comprise its basic financial statements. *Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2014 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.



Charles E. Harris & Associates, Inc.
May 22, 2014

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
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 years ended December 31, 2013 and 2012, 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 2013 are as follows:

Net position of governmental activities increased \$33,653 or 4.6 %. The funds most affected by the increase in cash and cash equivalents were the EMS, which decreased and the Truck Debt Service and Pool & Park Funds, which realized increased revenues in 2013. However, cost increases affected most funds.

The income tax receipts for 2013 relativity stayed the same while the property tax receipts increased compared to 2012.

The Village has two business-type activities. They are the water and sewer funds. The net position increased by \$89,760 or 26.6%.

Key highlights for 2012 are as follows:

Net position of governmental activities increased \$109,339 or 17.6 %. The funds most affected by the increase in cash and cash equivalents were the Fire Levy Debt Service and Income Tax Funds, which realized increased revenues in 2012. However, cost increases affected most funds.

Property tax receipts for 2012 relativity stayed the same while the income tax receipts increased compared to 2011.

The Village has two business-type activities. They are the water and sewer funds. The net position decreased by \$18,526 or 5.2%.

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.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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.

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2013 and 2012, 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 income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

Reporting the Village's Most Significant Funds

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

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

Proprietary Funds - When the Village charges customers for 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 Guarantee Deposit, Sewage Replacement, Sewage System, USDA Sewage Debt Reserve, Water Contingency, W. W. Reserve, W. W. Replacement, W. W. Capital Improvements, and Water Works 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 one Fiduciary Fund is the Fire Damage Insurance Fund which had no activity during the audit period.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
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The Village as a Whole

Table 1 reflects a summary of the Village's net position for 2013 compared to 2012 and 2012 compared to 2011 on the cash basis:

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Assets									
Cash and Cash Equivalents	<u>\$761,536</u>	<u>\$727,883</u>	<u>\$618,544</u>	<u>\$427,240</u>	<u>\$337,480</u>	<u>\$356,006</u>	<u>\$1,188,776</u>	<u>\$1,065,363</u>	<u>\$974,550</u>
Total Assets	<u>\$761,536</u>	<u>\$727,883</u>	<u>618,544</u>	<u>\$427,240</u>	<u>\$337,480</u>	<u>356,006</u>	<u>\$1,188,776</u>	<u>\$1,065,363</u>	<u>974,550</u>
Net Position									
Restricted for:									
Debt Service	0	0	0	\$59,358	59,358	59,358	\$59,358	\$59,358	59,358
Service Deposits	0	0	0	85,193	82,795	80,426	85,193	82,795	80,426
Capital Projects	7,199	7,199	20,540	0	0	0	7,199	7,199	20,540
Other Purposes	519,985	469,988	438,323	0	0	0	519,985	469,988	438,323
Unrestricted	<u>234,352</u>	<u>250,696</u>	<u>159,681</u>	<u>282,689</u>	<u>195,327</u>	<u>216,222</u>	<u>517,041</u>	<u>446,023</u>	<u>375,903</u>
Total Net Position	<u>\$761,536</u>	<u>\$727,883</u>	<u>\$618,544</u>	<u>\$427,240</u>	<u>\$337,480</u>	<u>\$356,006</u>	<u>\$1,188,776</u>	<u>\$1,065,363</u>	<u>\$974,550</u>

As mentioned previously, net position of governmental activities increased \$33,653 or 4.6 % and net position of business-type activities increased \$89,760 or 26.6% during 2013. Net position of governmental activities increased \$109,339 or 17.6 % and net position of business-type activities decreased \$18,526 or 5.2% during 2012. There is not one single primary reason contributing to the changes in cash balances. Table 2 reflects the changes in net position in 2013 versus 2012 and 2012 versus 2011.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

(Table 2 – Continued)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$485,259	\$473,744	\$1,349,382	\$1,168,789	\$1,834,641	\$1,642,533
Operating Grants and Contributions	134,962	144,688	0	0	134,962	144,688
Total Program Receipts	620,221	618,432	1,349,382	1,168,789	1,969,603	1,787,221
General Receipts:						
Property and Other Local Taxes	91,713	90,077	0	0	91,713	90,077
Income Taxes	553,478	475,012	0	0	553,478	475,012
Other Local Taxes	22,860	0	0	0	22,860	0
Grants and Entitlements Not Restricted to Specific Programs	56,829	131,613	0	0	56,829	131,613
Proceeds of Debt	38,725	0	0	0	38,725	0
Interest	5,361	9,721	61	46	5,422	9,767
Miscellaneous	670	203	0	0	670	203
Total General Receipts	769,636	706,626	61	46	769,697	706,670
Total Receipts	1,389,857	1,325,058	1,349,443	1,168,835	2,739,300	2,493,891
Disbursements:						
General Government	280,229	239,240	0	0	280,229	239,240
Security of Persons and Property	579,416	588,422	0	0	579,416	588,422
Leisure Time Activities	98,012	95,691	0	0	98,012	95,691
Transportation	145,863	115,032	0	0	145,863	115,032
Capital Outlay	86,364	40,085	0	0	86,364	40,085
Debt Service:						
Principal Reduction	238,839	232,258	0	0	238,839	232,258
Interest and other Fiscal Charges	105,691	146,829	0	0	105,691	146,829
Water Operating	0	0	749,787	645,767	749,787	645,767
Sewage Operating	0	0	284,349	342,607	284,349	342,607
Guarantee Deposit	0	0	14,948	21,631	14,948	21,631
Sewage Replacement	0	0	10,007	39,372	10,007	39,372
Other Enterprise	0	0	54,982	43,609	54,982	43,607
Total Disbursements	1,534,414	1,457,557	1,114,073	1,092,986	2,648,487	2,550,541
Excess (Deficiency) Before Transfers	(144,557)	(132,499)	235,370	75,849	90,813	(56,650)
Transfers In	253,896	241,963	0	0	254,424	241,963
Transfers Out	0	0	(253,896)	(241,963)	(254,424)	(241,963)
Increase (Decrease) in Net Position	109,339	109,464	(18,526)	(166,114)	90,813	(56,650)
Net Position, January 1	618,544	509,080	356,006	522,120	974,550	1,031,200
Net Position, December 31	<u>\$727,883</u>	<u>\$618,544</u>	<u>\$337,480</u>	<u>\$356,006</u>	<u>\$1,065,363</u>	<u>\$974,550</u>

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

(Table 2 – Continued)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$485,259	\$473,744	\$1,349,382	\$1,168,789	\$1,834,641	\$1,642,533
Operating Grants and Contributions	134,962	144,688	0	0	134,962	144,688
Total Program Receipts	620,221	618,432	1,349,382	1,168,789	1,969,603	1,787,221
General Receipts:						
Property and Other Local Taxes	91,713	90,077	0	0	91,713	90,077
Income Taxes	553,478	475,012	0	0	553,478	475,012
Other Local Taxes	22,860	0	0	0	22,860	0
Grants and Entitlements Not Restricted to Specific Programs	56,829	131,613	0	0	56,829	131,613
Proceeds of Debt	38,725	0	0	0	38,725	0
Interest	5,361	9,721	61	46	5,422	9,767
Miscellaneous	670	203	0	0	670	203
Total General Receipts	769,636	706,626	61	46	769,697	706,670
Total Receipts	1,389,857	1,325,058	1,349,443	1,168,835	2,739,300	2,493,891
Disbursements:						
General Government	280,229	239,240	0	0	280,229	239,240
Security of Persons and Property	579,416	588,422	0	0	579,416	588,422
Leisure Time Activities	98,012	95,691	0	0	98,012	95,691
Transportation	145,863	115,032	0	0	145,863	115,032
Capital Outlay	86,364	40,085	0	0	86,364	40,085
Debt Service:						
Principal Reduction	238,839	232,258	0	0	238,839	232,258
Interest and other Fiscal Charges	105,691	146,829	0	0	105,691	146,829
Water Operating	0	0	749,787	645,767	749,787	645,767
Sewage Operating	0	0	284,349	342,607	284,349	342,607
Guarantee Deposit	0	0	14,948	21,631	14,948	21,631
Sewage Replacement	0	0	10,007	39,372	10,007	39,372
Other Enterprise	0	0	54,982	43,609	54,982	43,607
Total Disbursements	1,534,414	1,457,557	1,114,073	1,092,986	2,648,487	2,550,541
Excess (Deficiency) Before Transfers	(144,557)	(132,499)	235,370	75,849	90,813	(56,650)
Transfers In	253,896	241,963	0	0	254,424	241,963
Transfers Out	0	0	(253,896)	(241,963)	(254,424)	(241,963)
Increase (Decrease) in Net Position	109,339	109,464	(18,526)	(166,114)	90,813	(56,650)
Net Position, January 1	618,544	509,080	356,006	522,120	974,550	1,031,200
Net Position, December 31	<u>\$727,883</u>	<u>\$618,544</u>	<u>\$337,480</u>	<u>\$356,006</u>	<u>\$1,065,363</u>	<u>\$974,550</u>

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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For 2013 program receipts represent 49 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.

General receipts represent 51 percent of the Village's total receipts, and of this amount, over 91 percent are local 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.

For 2012 program receipts represent 45 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.

General receipts represent 55 percent of the Village's total receipts, and of this amount, over 86 percent are local 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, fire protection and EMS; Leisure Time Activities are the costs of maintaining the parks and pool and the Recreation 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, 2013, 2012 and 2011.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

(Table 3)

Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2013	2013	2012	2012	2011	2011
General Government	\$303,423	\$289,308	\$ 280,229	\$ 277,532	\$ 239,240	\$ 214,431
Security of Persons and Property	606,777	111,920	579,416	122,867	588,422	153,106
Leisure Time Activities	102,617	63,058	98,012	59,018	95,691	73,886
Transportation	141,251	41,946	145,863	53,718	115,032	8,366
Capital Outlay	115,472	115,472	86,364	86,364	40,085	40,085
Debt Service:						
Principal Reduction	225,945	196,109	238,839	209,003	232,258	202,422
Interest and Other Fiscal Charges	94,939	94,939	105,691	105,691	146,829	146,829
Total Expenses	<u>\$1,590,424</u>	<u>\$920,323</u>	<u>\$1,534,414</u>	<u>\$914,193</u>	<u>\$1,457,557</u>	<u>\$839,125</u>

The dependence upon property and income tax receipts is apparent as over 57 percent and 59 percent of governmental activities during 2013 and 2012, respectively, are supported through these general receipts.

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 a interconnect project with Burr Oak in May 2011.

The Village's Funds

For 2013 total governmental funds had receipts of \$1,771,425 and disbursements of \$1,737,772. The greatest change within governmental funds occurred within the Pool & Park and Fire Levy Funds. The fund balance of the Pool & Park Fund increased \$27,165 and the Fire Levy Fund increased \$22,392. Other governmental funds include, the General Fund, State Highway, EMS and Other Governmental Funds. The proprietary funds include Water Works, Sewage System, Guarantee Deposit, Water Contingency, Water Works Reserve, Sewage Debt Reserve, Water Works Replacement, Sewage Replacement Funds and Water Works Capital Improvement.

General Fund disbursements exceeded receipts by \$22,062. The Council will watch the finances to assure funds remain sound.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

For 2012 total governmental funds had receipts of \$1,928,388 and disbursements of \$1,819,049. The greatest change within governmental funds occurred within the General and Fire Levy Debt Service Funds. The fund balance of the General Fund increased \$69,125 as the result of increased tax collections. The Fire Debt Levy Service Fund increased \$51,953 as the result of a fire truck being sold. Other governmental funds include, the State Highway, EMS, Fire Levy and Other Governmental Funds. The proprietary funds include Water Works, Sewage System, Guarantee Deposit, Water Contingency, Water Works Reserve, Sewage Debt Reserve, Water Works Replacement, Sewage Replacement Funds and Water Works Capital Improvement.

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 2013, 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 \$465,721 while actual disbursements were \$467,903. The Village increased final budgeted disbursements even though final budgeted receipts were reduced and final disbursements slightly exceeded budget. The result is the decrease in fund balance of \$35,567 for 2013.

During 2012, 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 \$407,224 while actual disbursements were \$414,138. Receipts failed to live up to expectations, however appropriations were reduced. The result is the increase in fund balance of \$10,308 for 2012.

Debt Administration

At December 31, 2013, the Village's outstanding debt was \$2,652,349, including \$1,471,200 in general obligation bonds issued for improvements to buildings and structures. The Village also had a capital lease with a principal balance of \$266,258 used to purchase a fire truck. For further information regarding the Village's debt, refer to Notes 10 and 11 to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
UNAUDITED**

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 2014; 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 of operating 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, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 761,536	\$ 427,240	\$ 1,188,776
Total Assets	<u>761,536</u>	<u>427,240</u>	<u>1,188,776</u>
<u>Net Position</u>			
Restricted For:			
Capital Projects	7,199	-	7,199
Debt Service	-	59,358	59,358
Service Deposits	-	85,193	85,193
Other Purposes	519,985	-	519,985
Unrestricted Net Position	234,352	282,689	517,041
Total Net Position	<u>\$ 761,536</u>	<u>\$ 427,240</u>	<u>\$ 1,188,776</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, 2013

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Capital Outlay	\$ 115,472	\$ -	\$ -	\$ (115,472)	\$ -	\$ (115,472)
General Governmental	303,423	14,115	-	(289,308)	-	(289,308)
Leisure Time Activities	102,617	25,747	13,812	(63,058)	-	(63,058)
Security of Persons and Property	606,777	488,857	6,000	(111,920)	-	(111,920)
Transportation	141,251	8,386	90,919	(41,946)	-	(41,946)
Debt Service:						
Principal Reduction	225,945	-	29,836	(196,109)	-	(196,109)
Interest and Other Fiscal Charges	94,939	-	-	(94,939)	-	(94,939)
Total Governmental Activities	1,590,424	537,105	140,567	(912,752)	-	(912,752)
Business-Type Activities:						
Water Works	807,062	1,004,069	-	-	197,007	197,007
Sewage System	299,823	482,445	-	-	182,622	182,622
Guarantee Deposit	13,656	16,040	-	-	2,384	2,384
Sewage Replacement	10,582	-	-	-	(10,582)	(10,582)
Other Enterprise	40,133	11,740	-	-	(28,393)	(28,393)
Total Business-Type Activities	1,171,256	1,514,294	-	-	343,038	343,038
Total Primary Government	\$ 2,761,680	\$ 2,051,399	\$ 140,567	(912,752)	343,038	(569,714)
General Receipts:						
Property and Other Local Taxes				127,946	-	127,946
Municipal Income Taxes				481,458	-	481,458
Other Local Taxes				22,595	-	22,595
Grants and Entitlements						
not Restricted to Specific Programs				52,369	-	52,369
Earnings on Investments				3,548	29	3,577
Sale of Capital Assets				2,275	-	2,275
Miscellaneous				2,907	-	2,907
Transfers				253,307	(253,307)	-
Total General Receipts and Transfers				946,405	(253,278)	693,127
Net Change in Position				33,653	89,760	123,413
Net Position Beginning of Year				727,883	337,480	1,065,363
Net Position End of Year				\$ 761,536	\$ 427,240	\$ 1,188,776

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>State Highway</u>	<u>EMS</u>	<u>Fire Levy Contract</u>	<u>Other Governmental</u>	<u>Totals</u>
ASSETS						
Cash and Cash Equivalents	\$ 122,434	\$ 110,594	\$ 176,689	\$ 83,050	\$ 268,769	\$ 761,536
Total Assets	<u>122,434</u>	<u>110,594</u>	<u>176,689</u>	<u>83,050</u>	<u>268,769</u>	<u>761,536</u>
FUND BALANCES						
Restricted	-	110,594	176,689	83,050	156,851	527,184
Committed	98,664	-	-	-	111,602	210,266
Assigned	7,400	-	-	-	316	7,716
Unassigned	16,370	-	-	-	-	16,370
Total Fund Balances	<u>\$ 122,434</u>	<u>\$ 110,594</u>	<u>\$ 176,689</u>	<u>\$ 83,050</u>	<u>\$ 268,769</u>	<u>\$ 761,536</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	State Highway	EMS	Fire Levy Contract	Other Governmental	Totals
RECEIPTS:						
Property and Other Local Taxes	\$ 28,027	\$ -	\$ -	\$ -	\$ 99,919	\$ 127,946
Municipal Income Taxes	481,458	-	-	-	-	481,458
Other Local Taxes	22,595	-	-	-	-	22,595
Intergovernmental	52,369	6,584	1,500	4,500	134,567	199,520
Charges for Services	18,779	-	375,025	94,128	18,950	506,882
Fines, Licenses, and Permits	9,875	-	-	-	13,764	23,639
Earnings on Investments	891	2,177	40	13	427	3,548
Miscellaneous	1,525	-	170	220	992	2,907
Total Receipts	615,519	8,761	376,735	98,861	268,619	1,368,495
DISBURSEMENTS:						
Current:						
Security of Persons and Property	229,582	2,610	314,951	53,142	6,492	606,777
Leisure Time Activities	-	-	-	-	102,617	102,617
Transportation	-	-	-	-	141,251	141,251
General Government	301,334	-	-	-	2,089	303,423
Capital Outlay	-	-	79,584	-	35,888	115,472
Debt Service	-	-	-	-	-	-
Principal Reduction	-	-	-	-	225,945	225,945
Interest	-	-	-	-	94,939	94,939
Total Disbursements	530,916	2,610	394,535	53,142	609,221	1,590,424
Excess of Receipts Over/(Under) Disbursements	84,603	6,151	(17,800)	45,719	(340,602)	(221,929)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	-	-	2,275	-	-	2,275
Transfers In	-	-	-	-	400,655	400,655
Transfers Out	(106,665)	-	(17,356)	(23,327)	-	(147,348)
Total Other Financing Sources (Uses)	(106,665)	-	(15,081)	(23,327)	400,655	255,582
Net Change in Fund Balances	(22,062)	6,151	(32,881)	22,392	60,053	33,653
Fund Balances January 1, 2013	144,496	104,443	209,570	60,658	208,716	727,883
Fund Balances December 31, 2013	\$ 122,434	\$ 110,594	\$ 176,689	\$ 83,050	\$ 268,769	\$ 761,536

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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property and Other Local Taxes	\$ 28,048	\$ 30,131	\$ 50,622	\$ 20,491
Charges for Services	9,534	9,534	18,779	9,245
Intergovernmental	57,741	57,741	52,369	(5,372)
Fines, Licenses, and Permits	35,583	35,583	9,875	(25,708)
Earnings on Investments	3,566	3,566	891	(2,675)
Miscellaneous	-	-	800	800
	<u>134,472</u>	<u>133,337</u>	<u>133,336</u>	<u>(3,219)</u>
Total Receipts				
DISBURSEMENTS				
Current:				
General Government	255,836	202,703	219,733	(17,030)
Security of Persons and Property	179,627	248,130	233,282	14,848
	<u>435,463</u>	<u>450,833</u>	<u>453,015</u>	<u>(2,182)</u>
Total Disbursements				
Excess of Receipts Over (Under) Disbursements	(300,991)	(317,496)	(319,679)	(2,183)
Other Financing Sources (Uses)				
Transfers In	317,135	285,135	299,000	13,865
Transfers Out	(14,888)	(14,888)	(14,888)	-
	<u>302,247</u>	<u>270,247</u>	<u>284,112</u>	<u>13,865</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	1,256	(47,249)	(35,567)	11,682
Fund Balances Beginning of Year	49,456	49,456	49,456	-
Prior Year Encumbrances Appropriated	2,481	2,481	2,481	-
Fund Balances End of Year	<u>\$ 53,193</u>	<u>\$ 4,688</u>	<u>\$ 16,370</u>	<u>\$ 11,682</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF REVENUES, DISBURSEMENTS, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 7,319	\$ 6,584	\$ 6,584	\$ -
Earnings on Investments	7,000	2,177	2,177	-
Total Receipts	<u>14,319</u>	<u>8,761</u>	<u>8,761</u>	<u>-</u>
DISBURSEMENTS				
Current:				
Security of Persons and Property	2,610	2,610	2,610	-
Total Disbursements	<u>2,610</u>	<u>2,610</u>	<u>2,610</u>	<u>-</u>
Excess of Receipts Over (Under) Disbursements	11,709	6,151	6,151	-
Other Financing Sources (Uses)				
Transfers Out	<u>(11,709)</u>	-	-	-
Total Other Financing Sources (Uses)	<u>(11,709)</u>	-	-	-
Net Change in Fund Balances	-	6,151	6,151	-
Fund Balances Beginning of Year	104,443	104,443	104,443	-
Fund Balances End of Year	<u>\$ 104,443</u>	<u>\$ 110,594</u>	<u>\$ 110,594</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Charges for Services	\$ 277,017	\$ 379,009	\$ 375,025	\$ (3,984)
Intergovernmental	-	-	1,500	1,500
Miscellaneous	-	-	40	40
Earnings on Investments	68	-	169	169
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	277,085	379,009	376,734	(2,275)
DISBURSEMENTS				
Current:				
Security of Persons and Property	237,969	315,175	315,344	(169)
Capital Outlay	-	79,584	79,584	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	237,969	394,759	394,928	(169)
Excess of Receipts Over (Under) Disbursements	39,116	(15,750)	(18,194)	(2,444)
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	2,275	2,275
Transfers Out	(12,560)	(17,356)	(17,356)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(12,560)	(17,356)	(15,081)	2,275
Net Change in Fund Balances	26,556	(33,106)	(33,275)	(169)
Fund Balances Beginning of Year	208,451	208,451	208,451	-
Prior Year Encumbrances Appropriated	1,119	1,119	1,119	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 236,126</u>	<u>\$ 176,464</u>	<u>\$ 176,295</u>	<u>\$ (169)</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
FIRE LEVY CONTRACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Charges for Services	\$ 95,220	\$ 93,746	\$ 94,128	\$ 382
Intergovernmental			4,500	4,500
Miscellaneous	-	-	13	13
Earnings on Investments	-	-	220	220
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	95,220	93,746	98,861	5,115
	<hr/>	<hr/>	<hr/>	<hr/>
DISBURSEMENTS				
Current:				
Security of Persons and Property	54,989	66,360	53,597	12,763
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	54,989	66,360	53,597	12,763
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	40,231	27,386	45,264	17,878
	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)				
Transfers Out	(19,931)	(19,931)	(23,327)	(3,396)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(19,931)	(19,931)	(23,327)	(3,396)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	20,300	7,455	21,937	14,482
Fund Balances Beginning of Year	56,661	56,661	56,661	-
Prior Year Encumbrances Appropriated	3,997	3,997	3,997	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 80,958</u>	<u>\$ 68,113</u>	<u>\$ 82,595</u>	<u>\$ 14,482</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Water Works	Sewage System	Guarantee Deposit	USDA Sewage Debt Reserve	Sewage Replacement	Other Entrprise	Total
ASSETS							
Cash and Cash Equivalents	\$70,964	\$55,452	\$85,193	\$59,358	\$118,710	\$37,563	\$427,240
Total Assets	<u>70,964</u>	<u>55,452</u>	<u>85,193</u>	<u>59,358</u>	<u>118,710</u>	<u>37,563</u>	<u>427,240</u>
NET POSITION							
Restricted for:							
Debt Service	-	-	-	59,358	-	-	59,358
Service Deposits	-	-	85,193	-	-	-	85,193
Unrestricted	70,964	55,452	-	-	118,710	37,563	282,689
Total Net Position	<u>\$70,964</u>	<u>\$55,452</u>	<u>\$85,193</u>	<u>\$59,358</u>	<u>\$118,710</u>	<u>\$37,563</u>	<u>\$ 427,240</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Business-type Activities						Total
	Water Works	Sewage System	Guarantee Deposit	USDA Sewage Debt Reserve	Sewage Replacement	Other Enterprise	
OPERATING RECEIPTS							
Charges for Services	\$ 1,004,069	\$ 482,445	\$ 16,040	\$ -	\$ -	\$ 11,740	\$ 1,514,294
Total Operating Receipts	1,004,069	482,445	16,040	-	-	11,740	1,514,294
OPERATING DISBURSEMENTS							
Administrative - Water	807,062	-	-	-	-	945	808,007
Other Water	-	-	-	-	-	1,410	1,410
Administrative - Sanitary							
Sewers and Sewage	-	299,823	-	-	-	-	299,823
Other Sanitary Sewers and Sewage	-	-	-	-	10,582	35,356	45,938
Other Basic Utility Service	-	-	13,656	-	-	-	13,656
Capital Outlay	-	-	-	-	-	2,422	2,422
Total Operating Disbursements	807,062	299,823	13,656	-	10,582	40,133	1,171,256
Operating Income	197,007	182,622	2,384	-	(10,582)	(28,393)	343,038
NON-OPERATING RECEIPTS/(DISBURSEMENTS)							
Earnings on Investments	-	3	14	-	3	9	29
Transfers in	-	-	-	-	30,000	35,356	65,356
Transfers out	(162,148)	(156,515)	-	-	-	-	(318,663)
Total Non-Operating Receipts/(Disbursements)	(162,148)	(156,512)	14	-	30,003	35,365	(253,278)
Change in Net Position	34,859	26,110	2,398	-	19,421	6,972	89,760
Net Position January 1, 2013	36,105	29,342	82,795	59,358	99,289	30,591	337,480
Net Position December 31, 2013	\$ 70,964	\$ 55,452	\$ 85,193	\$ 59,358	\$ 118,710	\$ 37,563	\$ 427,240

See accompanying notes to the basic financial statements.

VILLAGE OF CROOKSVILLE
PERRY COUNTY
STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 727,883	\$ 337,480	\$ 1,065,363
Total Assets	<u>727,883</u>	<u>337,480</u>	<u>1,065,363</u>
<u>Net Position</u>			
Restricted For:			
Capital Projects	7,199	-	7,199
Debt Service	-	59,358	59,358
Service Deposits	-	82,795	82,795
Other Purposes	469,988	-	469,988
Unrestricted Net Position	250,696	195,327	446,023
Total Net Position	<u>\$ 727,883</u>	<u>\$ 337,480</u>	<u>\$ 1,065,363</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, 2012**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		Total
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Capital Outlay	\$ 86,364	\$ -	\$ -	\$ (86,364)	\$ -	\$ (86,364)
General Governmental	280,229	2,697	-	(277,532)	-	(277,532)
Leisure Time Activities	98,012	38,994	-	(59,018)	-	(59,018)
Security of Persons and Property	579,416	443,443	13,106	(122,867)	-	(122,867)
Transportation	145,863	125	92,020	(53,718)	-	(53,718)
Debt Service:						
Principal Reduction	238,839	-	29,836	(209,003)	-	(209,003)
Interest and Other Fiscal Charges	105,691	-	-	(105,691)	-	(105,691)
Total Governmental Activities	1,534,414	485,259	134,962	(914,193)	-	(914,193)
Business-Type Activities:						
Water Works	749,787	904,531	-	-	154,744	154,744
Sewage System	284,349	427,562	-	-	143,213	143,213
Guarantee Deposit	14,948	17,289	-	-	2,341	2,341
Sewage Replacement	10,007	-	-	-	(10,007)	(10,007)
Other Enterprise	54,982	-	-	-	(54,982)	(54,982)
Total Business-Type Activities	1,114,073	1,349,382	-	-	235,309	235,309
Total Primary Government	\$ 2,648,487	\$ 1,834,641	\$ 134,962	(914,193)	235,309	(678,884)
General Receipts:						
Property and Other Local Taxes				91,713	-	91,713
Municipal Income Taxes				553,478	-	553,478
Other Local Taxes				22,860	-	22,860
Grants and Entitlements						
not Restricted to Specific Programs				56,829	-	56,829
Earnings on Investments				5,361	61	5,422
Sale of Capital Assets				38,725	-	38,725
Miscellaneous				670	-	670
Transfers				253,896	(253,896)	-
Total General Receipts and Transfers				1,023,532	(253,835)	769,697
Net Change in Position				109,339	(18,526)	90,813
Net Position Beginning of Year				618,544	356,006	974,550
Net Position End of Year				\$ 727,883	\$ 337,480	\$ 1,065,363

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>State Highway</u>	<u>EMS</u>	<u>Fire Levy Contract</u>	<u>Other Governmental</u>	<u>Totals</u>
ASSETS						
Cash and Cash Equivalents	\$ 144,496	\$ 104,443	\$ 209,570	\$ 60,658	\$ 208,716	\$ 727,883
Total Assets	<u>144,496</u>	<u>104,443</u>	<u>209,570</u>	<u>60,658</u>	<u>208,716</u>	<u>727,883</u>
FUND BALANCES						
Restricted	-	104,443	209,570	60,658	102,516	477,187
Committed	92,559	-	-	-	105,884	198,443
Assigned	2,481	-	-	-	316	2,797
Unassigned	49,456	-	-	-	-	49,456
Total Fund Balances	<u>\$ 144,496</u>	<u>\$ 104,443</u>	<u>\$ 209,570</u>	<u>\$ 60,658</u>	<u>\$ 208,716</u>	<u>\$ 727,883</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	State Highway	EMS	Fire Levy Contract	Other Governmental	Totals
RECEIPTS:						
Property and Other Local Taxes	\$ 26,827	\$ -	\$ -	\$ -	\$ 64,886	\$ 91,713
Municipal Income Taxes	553,478	-	-	-	-	553,478
Other Local Taxes	22,860	-	-	-	-	22,860
Intergovernmental	56,829	6,902	5,638	-	122,422	191,791
Charges for Services	11,425	-	333,316	94,688	27,602	467,031
Fines, Licenses, and Permits	9,284	-	-	-	8,944	18,228
Earnings on Investments	1,496	3,291	90	19	465	5,361
Miscellaneous	-	-	20	100	550	670
Total Receipts	682,199	10,193	339,064	94,807	224,869	1,351,132
DISBURSEMENTS:						
Current:						
Security of Persons and Property	221,789	2,610	278,058	73,740	3,219	579,416
Leisure Time Activities	-	-	-	-	98,012	98,012
Transportation	-	-	-	-	145,863	145,863
General Government	278,366	-	-	-	1,863	280,229
Capital Outlay	-	-	-	-	86,364	86,364
Debt Service						
Principal Reduction	-	-	-	-	238,839	238,839
Interest	-	-	-	-	105,691	105,691
Total Disbursements	500,155	2,610	278,058	73,740	679,851	1,534,414
Excess of Receipts Over/(Under) Disbursements	182,044	7,583	61,006	21,067	(454,982)	(183,282)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	725	-	1,000	-	37,000	38,725
Transfers In	-	-	76,777	9,882	451,872	538,531
Transfers Out	(113,644)	(3,236)	(146,956)	(19,931)	(868)	(284,635)
Total Other Financing Sources (Uses)	(112,919)	(3,236)	(69,179)	(10,049)	488,004	292,621
Net Change in Fund Balances	69,125	4,347	(8,173)	11,018	33,022	109,339
Fund Balances January 1 Restated see Note 15	75,371	100,096	217,743	49,640	175,694	618,544
Fund Balances December 31	\$ 144,496	\$ 104,443	\$ 209,570	\$ 60,658	\$ 208,716	\$ 727,883

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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property and Other Local Taxes	\$ 28,658	\$ 49,688	\$ 49,687	\$ (1)
Charges for Services	12,760	14,122	11,425	(2,697)
Intergovernmental	54,837	56,830	56,829	(1)
Fines, Licenses, and Permits	36,941	6,609	9,284	2,675
Earnings on Investments	4,903	1,496	1,496	-
Miscellaneous	-	16,802	-	(16,802)
	<u>138,099</u>	<u>145,547</u>	<u>128,721</u>	<u>(16,826)</u>
Total Receipts				
DISBURSEMENTS				
Current:				
General Government	214,999	193,454	177,461	15,993
Security of Persons and Property	247,083	198,882	221,789	(22,907)
	<u>462,082</u>	<u>392,336</u>	<u>399,250</u>	<u>(6,914)</u>
Total Disbursements				
Excess of Receipts Over (Under) Disbursements	(323,983)	(246,789)	(270,529)	(23,740)
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	725	725
Transfers In	355,400	355,400	295,000	(60,400)
Transfers Out	(14,888)	(14,888)	(14,888)	-
	<u>340,512</u>	<u>340,512</u>	<u>280,837</u>	<u>(60,400)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	16,529	93,723	10,308	(83,415)
Fund Balances Beginning of Year	38,734	38,734	38,734	-
Prior Year Encumbrances Appropriated	414	414	414	-
Fund Balances End of Year	<u>\$ 55,677</u>	<u>\$ 132,871</u>	<u>\$ 49,456</u>	<u>\$ (84,140)</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
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Intergovernmental	\$ 8,400	\$ 6,902	\$ 6,902	\$ -
Earnings on Investments	12,750	3,292	3,291	(1)
Total Receipts	<u>21,150</u>	<u>10,194</u>	<u>10,193</u>	<u>(1)</u>
DISBURSEMENTS				
Current:				
Transportation	2,000	4,000	-	4,000
Security of Persons and Property	2,610	2,610	2,610	-
Total Disbursements	<u>4,610</u>	<u>6,610</u>	<u>2,610</u>	<u>4,000</u>
Excess of Receipts Over (Under) Disbursements	16,540	3,584	7,583	3,999
Other Financing Sources (Uses)				
Transfers Out	<u>(15,390)</u>	<u>(15,390)</u>	<u>(3,236)</u>	<u>12,154</u>
Total Other Financing Sources (Uses)	<u>(15,390)</u>	<u>(15,390)</u>	<u>(3,236)</u>	<u>12,154</u>
Net Change in Fund Balances	1,150	(11,806)	4,347	16,153
Fund Balances Beginning of Year	100,096	100,096	100,096	-
Fund Balances End of Year	<u>\$ 101,246</u>	<u>\$ 88,290</u>	<u>\$ 104,443</u>	<u>\$ 16,153</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Charges for Services	\$ 250,000	\$ 259,478	\$ 333,316	\$ 73,838
Intergovernmental	-	5,638	5,638	-
Miscellaneous	-	-	20	20
Earnings on Investments	-	-	90	90
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	250,000	265,116	339,064	73,948
	<hr/>	<hr/>	<hr/>	<hr/>
DISBURSEMENTS				
Current:				
Security of Persons and Property	207,125	322,383	279,177	43,206
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	207,125	322,383	279,177	43,206
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of Receipts Over (Under) Disbursements	42,875	(57,267)	59,887	117,154
	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	1,000	1,000
Transfers In	-	(1,413)	76,777	78,190
Transfers Out	(30,779)	(30,779)	(146,956)	(116,177)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(30,779)	(30,779)	(69,179)	(36,987)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	12,096	(88,046)	(9,292)	78,754
Fund Balances Beginning of Year	216,029	216,029	216,029	-
Prior Year Encumbrances Appropriated	1,714	1,714	1,714	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 229,839</u>	<u>\$ 129,697</u>	<u>\$ 208,451</u>	<u>\$ 80,167</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS
FIRE LEVY CONTRACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Charges for Services	\$ 95,220	\$ 93,746	\$ 94,688	\$ 942
Miscellaneous	-	-	19	19
Earnings on Investments	-	-	100	100
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	95,220	93,746	94,807	1,061
DISBURSEMENTS				
Current:				
Security of Persons and Property	54,989	66,360	77,737	(11,377)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	54,989	66,360	77,737	(11,377)
Excess of Receipts Over (Under) Disbursements	40,231	27,386	17,070	(10,316)
Other Financing Sources (Uses)				
Transfers In	-	9,882	9,882	-
Transfers Out	(19,931)	(19,931)	(19,931)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(19,931)	(19,931)	(10,049)	-
Net Change in Fund Balances	20,300	7,455	7,021	(434)
Fund Balances Beginning of Year	49,640	49,640	49,640	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	<u>\$ 69,940</u>	<u>\$ 57,095</u>	<u>\$ 56,661</u>	<u>\$ (10,316)</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Water Works	Sewage System	Guarantee Deposit	USDA Sewage Debt Reserve	Sewage Replacement	Other Entrprise	Total
ASSETS							
Cash and Cash Equivalents	\$36,105	\$29,342	\$82,795	\$59,358	\$99,289	\$30,591	\$337,480
Total Assets	<u>36,105</u>	<u>29,342</u>	<u>82,795</u>	<u>59,358</u>	<u>99,289</u>	<u>30,591</u>	<u>337,480</u>
NET POSITION							
Restricted for:							
Debt Service	-	-	-	59,358	-	-	59,358
Service Deposits	-	-	82,795	-	-	-	82,795
Unrestricted	36,105	29,342	-	-	99,289	30,591	195,327
Total Net Position	<u>\$36,105</u>	<u>\$29,342</u>	<u>\$82,795</u>	<u>\$59,358</u>	<u>\$99,289</u>	<u>\$30,591</u>	<u>\$ 337,480</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGE IN FUND NET POSITION - CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Business-type Activities						Total
	Water Works	Sewage System	Guarantee Deposit	USDA Sewage Debt Reserve	Sewage Replacement	Other Enterprise	
OPERATING RECEIPTS							
Charges for Services	\$ 904,531	\$ 427,562	\$ 17,289	\$ -	\$ -	\$ -	\$ 1,349,382
Total Operating Receipts	904,531	427,562	17,289	-	-	-	1,349,382
OPERATING DISBURSEMENTS							
Administrative - Water	749,787	-	-	-	-	7,586	757,373
Other Water	-	-	-	-	-	7,264	7,264
Administrative - Sanitary Sewers and Sewage	-	284,349	-	-	-	-	284,349
Other Sanitary Sewers and Sewage	-	-	-	-	10,007	40,132	50,139
Other Basic Utility Service	-	-	14,948	-	-	-	14,948
Total Operating Disbursements	749,787	284,349	14,948	-	10,007	54,982	1,114,073
Operating Income	154,744	143,213	2,341	-	(10,007)	(54,982)	235,309
NON-OPERATING RECEIPTS/(DISBURSEMENTS)							
Earnings on Investments	-	11	28	-	5	17	61
Transfers in	1,618	11,604	-	-	30,000	40,132	83,354
Transfers out	(165,994)	(171,256)	-	-	-	-	(337,250)
Total Non-Operating Receipts/(Disbursements)	(164,376)	(159,641)	28	-	30,005	40,149	(253,835)
Change in Net Position	(9,632)	(16,428)	2,369	-	19,998	(14,833)	(18,526)
Net Position January 1, 2012	45,737	45,770	80,426	59,358	79,291	45,424	356,006
Net Position December 31, 2012	\$ 36,105	\$ 29,342	\$ 82,795	\$ 59,358	\$ 99,289	\$ 30,591	\$ 337,480

See accompanying notes to the basic financial statements.

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police services. The Village appropriates general fund money to help support a volunteer fire department.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

The Village has no component units.

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.

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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

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

2. Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from the exchange transactions such as charges for services directly relating to the funds principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

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

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. Following are the Village's major governmental funds:

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

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

Fire Levy Contract Fund receives monies from charges for services related to fire services to offset the costs of providing protection to adjacent communities.

State Highway Fund receives monies from the County and State Auditor for motor vehicle and gas taxes to help with maintaining the state highway.

2. Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise 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 Village's major enterprise funds are the water, sewer, guarantee deposit, sewage replacement and USDA sewage debt reserve funds.

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

Sewage System Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Guarantee Deposit Fund-The guarantee deposit fund accounts for the utility deposits paid by the water and sewer customers.

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

USDA Sewage Debt Reserve Fund-The USDA sewage debt reserve fund accounts for monies set back to pay the Sewage Debt Service payment if an emergency should arise.

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

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

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 2013 and 2012, 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 a collateral pool.

STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2013 and 2012.

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 2013 and 2012 were \$891 and \$1,496, respectively.

F. Restricted Assets

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

G. Inventory and Prepaid Items

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

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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

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

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their 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 or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor 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 either through enabling legislation or 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 obligation is incurred for purposes for which both restricted and unrestricted net position is available.

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
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N. Interfund Transactions

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

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.

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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution or ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or change the specified use by taking the same type of action (resolution or ordinance) it employed to previously commit those amounts. 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 Village Council or a Village official delegated that authority by resolution, or by State Statute.

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.

**VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
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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, Fire Levy Contract and State Highway funds. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than restricted, committed or assigned fund balances (cash basis). The encumbrances outstanding at year end 2013 and 2012 (budgetary basis) amounted to \$7,400 and \$2,481, respectively for the General Fund, \$393 and \$1,119, respectively for the EMS Fund, \$455 and \$3,997 for the Fire Levy Contract Fund.

The following table summarizes the adjustments necessary to reconcile the cash basis statements to the budgetary basis statements for the General Fund.

	<u>2013</u>	<u>2012</u>
General Fund Cash Accounting Basis	\$122,434	\$144,496
Encumbrances	(7,400)	(2,481)
Perspective Differences:		
Activity of funds reclassified for GASB Statement #54		
Income tax fund balance	<u>(98,664)</u>	<u>(92,559)</u>
Budget Basis	<u>\$ 16,370</u>	<u>\$ 49,456</u>

The General Fund beginning budgetary basis fund balance was changed due to change in classification of GASB 54 fund activity.

Note 4 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies 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.

**VILLAGE OF CROOKSVILLE
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Interim monies held by the Village can be deposited or invested in the following securities:

1. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
2. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
3. Bonds and other obligations of the State of Ohio or Ohio local governments;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio).

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, 2013 and 2012, \$793,560 and \$645,803, respectively of the Village's bank balances of \$1,043,560 and \$895,803, respectively, were exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured., market value at all times shall be at least one hundred five percent of the deposits being secured.

VILLAGE OF CROOKSVILLE
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Investments

As of December 31, 2013 and 2012, the Village had the following investments:

2013 Carrying Value	STAR Ohio	<u>\$197,384</u>	Maturing in less than 1 year.
2012 Carrying Value	STAR Ohio	<u>\$199,863</u>	Maturing in 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 that 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 U.S. Treasury Bills are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Village's name.

The Village has no investment policy dealing with investment custodial risk beyond the 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. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

**VILLAGE OF CROOKSVILLE
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2013 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first 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. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2013, was \$62.10 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

• Real Property	\$ 19,620,450
• Public Utility Personal Property	<u>371,000</u>
• Total	<u>\$ 19,991,450</u>

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 2013 and 2012, the Village contracted with the Trident/Argonaut Insurance Companies for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Property	\$12,806,189	\$1,000
Legal Liability	100,000	None
Automobile	1,000,000	None
General Liability	1,000,000/3,000,000	None
Public Officials	1,000,000/3,000,000	2,500
Law Enforcement Liability	1,000,000/3,000,000	2,500
Employment Practice Liability	1,000,000/3,000,000	2,500
Employee Benefits Liability	1,000,000	1,000
Excess Liability	1,000,000/1,000,000	None
Computer	100,000	1,000
Forgery & Alliteration	5,000	250
Public Employee Dishonesty	25,000	250
Money and Securities	15,000	250

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.

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

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 8 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2013 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 12.00% and 12.60%, respectively. The Village's contribution rate for 2013 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Village's contribution was 18.10% of covered payroll.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2012 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 11.50% and 12.10%, respectively. The Village's contribution rate for 2012 was 14.00%, except for those plan members in law enforcement or public safety, for whom the Village's contribution was 18.10% of covered payroll.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 were \$76,673, \$73,027, and \$82,077, respectively. The full amount has been contributed for 2013, 2012 and 2011.

B. Ohio Police and Fire Pension Fund

Plan Description - The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) for police officers and firefighters, a cost-sharing multiple-employer defined benefit pension plan.

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Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

From Jan. 1, 2013 through July 1, 2013, plan members were required to contribute 10.00% of their annual covered salary. From July 2, 2013 through Dec. 31, 2013, plan members were required to contribute 10.75% of their annual covered salary. For 2012 plan members required to contribute 10.00% of their annual covered salary. Throughout 2013 and 2012 the Village was required to contribute 19.5% and 24% respectively for police officers and firefighters.

The Village's pension contributions to OP&F for police officers and firefighters for the years ended December 31, 2013, 2012 and 2011 were \$17,633 \$13,667, and \$17,690, respectively. The full amount has been contributed for 2013, 2012 and 2011.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2012, local government employers contributed 14.00% of covered payroll (18.10% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2013 and 2012 was 1.00% and 4.00%, respectively. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 and 2012 was 1.0% and 6.05%, respectively.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Village's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2013, 2012, and 2011 were \$5,077, \$20,864, and \$23,449, respectively. 100 percent has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocated 4 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate, OP&F to provide other post employment benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides contribution requirements of the participating employees and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active plan members, currently, 19.50% and 24.00% of covered payroll for police and firefighters, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units.

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 OP&F Board Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the Section 115 trust and 401 (h) account as the employer contribution for retiree healthcare benefits. The portion of employer contributions allocated to health care was 4.69% of covered payroll from Jan. 1, 2013 through May 31, 2013 and 2.85% of covered payroll from June 1, 2013 through December 31, 2013. For the year ended December 31, 2012, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll.

The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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. Active members do not make contributions to the OPEB Plan.

The Village's contributions to OP&F which were allocated to fund postemployment healthcare benefits of police officers and firefighters for the years ended December 31, 2013, 2012 and 2011 were \$3,241, \$4,729, and \$6,121 respectively. The full amount has been contributed for years 2013, 2012 and 2011.

**VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
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Note 10-Debt

A summary of debt for the year ended December 31, 2013 was as follows:

Loan	Principal	Interest Rate
OWDA #1537	\$ 51,040	7.89%
OWDA #3392	11,460	6.03
OWDA #3957	31,512	2.00
OWDA #4686	23,834	4.12
OWDA #4913	324,833	1.50
OWDA #5069	131,109	0
OWDA #5054	578,140	1.00
OPWC #CT49A	7,290	0
OPWC #CR21J	21,931	0
Mortgage Revenue Bonds	644,000	5.00
Recreation Center Bonds	84,000	4.75
Capital Facilities Bonds	<u>743,200</u>	4.20
Total	<u>\$2,652,349</u>	

Loans	Balance 1/1/2012	Additions	2013 Principal Reduction	2012 Principal Reduction	Balance 12/31/2013
OWDA	\$ 1,437,282	\$0	(\$146,746)	(\$138,608)	\$1,151,928
OPWC	43,251	0	(4,699)	(9,331)	29,221
Bonds	<u>1,636,600</u>	<u>0</u>	<u>(74,500)</u>	<u>(90,900)</u>	<u>1,471,200</u>
Total	<u>\$3,117,133</u>	<u>\$0</u>	<u>(\$225,945)</u>	<u>(\$238,839)</u>	<u>\$2,652,349</u>

The Ohio Water Development Authority (OWDA) Loan 1537 relates to a water plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$1,186,560 in loans to the Village for the project. The loans will be repaid in semiannual installments of \$55,056 including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Water Loan 3392 relates to a water plant backwash project that was mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$60,333 to the Village for this project. The loan will be repaid in semiannual installments of \$3,084 including interest, over 15 years. The loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 3957 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.

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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 payments of \$3,691 including interest over 10 years. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Loan 4913 relates to waterlines, booster stations and elevated storage. The amount of the loan is \$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.

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 semi annual 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 semi annual 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 semi annual payments over 30 years in payments of \$2,473.

Principal and interest requirements to retire debt outstanding at December 31, 2013, were as follows:

Year	OWDA	OPWC	Bonds
2014	\$ 88,869	\$ 4,699	\$ 144,504
2015	62,106	4,699	145,695
2016	59,022	4,699	144,667
2017	52,247	4,699	145,618
2018	48,556	4,699	145,445
2019-23	242,780	5,726	681,448
2024-28	229,412	0	582,402
2029-33	226,070	0	59,850
2034-38	226,070	0	0
2039-43	75,038	0	0
Total	<u>\$1,310,170</u>	<u>\$ 29,221</u>	<u>\$ 2,049,629</u>

**VILLAGE OF CROOKSVILLE
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Note 11 - Leases

The Village leases buildings, vehicles and other equipment under noncancelable leases. The Village disbursed \$45,229 and \$76,464 to pay lease costs for the years ended December 31, 2013 and 2012, respectively.

The Village has a capital lease that relates to a fire truck. The original lease amount was \$290,398 and the annual lease payment is \$35,035. Final lease payment is due in 2022.

Future lease payments are as follows:

Year	Amount
2014	\$ 58,762
2015	58,762
2016	58,762
2017	49,421
2018	49,421
2019-22	140,140
Total	<u>\$415,268</u>

Note 12 – Interfund Transfers

During 2013, the Village made the following transfers:

Fund	Transfers In	Transfers Out
Governmental		
General	\$-	\$ 106,665
Fire Levy	-	23,327
EMS	-	17,356
Other Governmental	400,655	-
Business-Type		
Water	-	162,148
Sewer	-	156,515
Sewage Replacement	30,000	-
Other Enterprise	<u>35,356</u>	-
Total	<u>\$466,011</u>	<u>\$466,011</u>

The general fund transfers to the other governmental funds were made to provide additional resources for current operations and to the Municipal Debt fund for Debt service requirements. Water and Sewer operations transfer funds to various funds to provide resources for debt service.

**VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
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During 2012, the Village made the following transfers:

Fund	Transfers In	Transfers Out
Governmental		
General	\$ -	\$ 113,644
State Highway	-	3,236
Fire Levy	9,882	19,931
EMS	76,777	146,956
Income Tax	-	-
Other Governmental	451,872	868
Business-Type		
Water	1,618	165,994
Sewer	11,604	171,256
Sewage Replacement	30,000	-
Other Enterprise	40,132	-
Total	<u>\$621,885</u>	<u>\$621,885</u>

The general fund transfers to the other governmental funds were made to provide additional resources for current operations and to the Municipal Debt fund for Debt service requirements. Water and Sewer operations transfer funds to various funds to provide resources for debt service.

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

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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:

Fund Balances at December 31, 2013:

Fund Balances	General Fund	State Highway	EMS	Fire Levy Contract	Other Governmental Funds	Total
Restricted for:						
State Highway	-	\$110,594	-	-	-	\$110,594
Street Fund	-	-	-	-	\$38,480	38,480
Pool & Park	-	-	-	-	42,432	42,432
Drug Enforce.	-	-	-	-	4,326	4,326
Permissive Tax	-	-	-	-	46,736	46,736
Mayors Crt Comp	-	-	-	-	4,913	4,913
Fire Levy Cont	-	-	-	\$83,050	-	83,050
Police Equip	-	-	-	-	12,765	12,765
Village Cap Proj	-	-	-	-	7,199	7,199
EMS	-	-	\$176,689	-	-	176,689
Total Restricted	-	<u>110,594</u>	<u>176,689</u>	<u>83,050</u>	<u>156,850</u>	<u>527,184</u>
Committed for:						
Income Tax	\$98,664	-	-	-	-	98,664
Fire Station Debt	-	-	-	-	51,953	51,953
EMS Truck Debt	-	-	-	-	4,795	4,795
Rec Center Debt	-	-	-	-	18,154	18,154
WW Debt	-	-	-	-	614	614
Sewage Debt	-	-	-	-	21,853	21,853
Sewage Imp DS	-	-	-	-	4,429	4,429
Burr Oak DS	-	-	-	-	564	564
Municipal DS	-	-	-	-	9,233	9,233
Other	-	-	-	-	7	7
Total Committed	-	-	-	-	<u>111,602</u>	<u>210,266</u>
Assigned for:						
Encumbrances	7,400	-	-	-	-	7,400
Tree Commission	-	-	-	-	316	316
Total Assigned	-	-	-	-	<u>316</u>	<u>7,716</u>
Unassigned	<u>16,370</u>	-	-	-	-	<u>16,370</u>
Total	<u>\$122,434</u>	<u>\$110,594</u>	<u>\$176,689</u>	<u>\$83,050</u>	<u>\$ 268,768</u>	<u>\$761,536</u>

VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Fund Balances at December 31, 2012:

Fund Balances	General Fund	State Highway	EMS	Fire Levy Contract	Other Governmental Funds	Total
Restricted for:						
State Highway	-	\$104,443	-	-	-	\$104,443
Street Fund	-	-	-	-	\$28,301	28,301
Pool & Park	-	-	-	-	15,267	15,267
Drug Enforce.	-	-	-	-	2,338	2,338
Permissive Tax	-	-	-	-	37,019	37,019
Mayors Crt Comp	-	-	-	-	5,308	5,308
Fire Levy Cont	-	-	-	\$60,658	-	60,658
Police Equip	-	-	-	-	7,084	7,084
Village Cap Proj	-	-	-	-	7,199	7,199
EMS	-	-	\$209,570	-	-	209,570
Total Restricted	-	<u>104,443</u>	<u>209,570</u>	<u>60,658</u>	<u>102,516</u>	<u>477,187</u>
Committed for:						
Income Tax	\$92,559	-	-	-	-	92,559
Fire Station Debt	-	-	-	-	51,953	51,953
Rec Center Debt	-	-	-	-	17,730	17,730
WW Debt	-	-	-	-	614	614
Sewage Debt	-	-	-	-	21,354	21,354
Sewage Imp DS	-	-	-	-	4,429	4,429
Burr Oak DS	-	-	-	-	564	564
Municipal DS	-	-	-	-	9,233	9,233
Other	-	-	-	-	7	7
Total Committed	-	-	-	-	<u>105,884</u>	<u>198,443</u>
Assigned for:						
Encumbrances	2,481	-	-	-	-	2,481
Tree Commission	-	-	-	-	316	316
Total Assigned	-	-	-	-	<u>316</u>	<u>2,797</u>
Unassigned	49,456	-	-	-	-	49,456
Total	<u>\$144,496</u>	<u>\$104,443</u>	<u>\$209,570</u>	<u>\$60,658</u>	<u>\$ 208,716</u>	<u>\$727,883</u>

Note 14 - Contingent Liabilities

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

**VILLAGE OF CROOKSVILLE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 15 – Restatement of Fund Balances

During fiscal year 2012, it was determined that the Income Tax Fund should be reported with the General Fund instead of as a Special Revenue Fund. The reclassification of this fund had the following effect on fund balances of the major funds as they were previously reported:

	General Fund	Income Tax Fund
Fund Balance December 31, 2011	\$ 39,148	\$ 36,223
Fund Structure Change	<u>36,223</u>	<u>(36,223)</u>
Adjusted Fund Balance January 1, 2012	<u>\$ 75,371</u>	<u>\$ -0-</u>

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Village of Crooksville
Perry County
98 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, business-type activities, each major fund and the aggregate remaining fund information of the Village of Crooksville, Perry County (the Village), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated May 22, 2014, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles.

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 opinions 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 a 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2013-001.

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 communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
May 22, 2014

**VILLAGE OF CROOKSVILLE
PERRY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

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

**FINDING NUMBER 2013-001
Noncompliance Citation**

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority from expending money unless it has been appropriated.

We noted the following funds had expenditures plus encumbrances that exceeded appropriations at the fund level at December 31, 2013:

Fund	Approved Appropriations	Budgetary Disbursements	Variance
General Fund	\$ 465,721	\$ 467,903	\$ (2,182)
Special Revenue Fund			
EMS Fund	412,115	412,284	(169)

We noted the following funds had expenditures plus encumbrances that exceeded appropriations at the fund level at December 31, 2012:

Fund	Approved Appropriations	Budgetary Disbursements	Variance
General Fund	\$407,224	\$ 414,138	\$ (6,914)
Special Revenue Funds:			
EMS Fund	353,162	426,133	(72,971)
Fire Levy Contract Fund	86,291	97,668	(11,377)

Expenditures for each fund should not exceed appropriations. Failure to follow approved budgets could lead to overspending and the possibility of negative fund balances. To ensure expenditures do not exceed appropriations, the Village should monitor its financial activity periodically and amend its approved budgets accordingly.

Village Response:

The Fiscal Officer will closely monitor expenditures and take appropriate action as needed.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2011 and 2010, reported no material citations or recommendations.

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Dave Yost • Auditor of State

VILLAGE OF CROOKSVILLE

PERRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 14, 2014